



RISK DISCLOSURE NOTICE

Prior to offering our services to you, we require you to read this Risk Disclosure Notice.

Risk Disclosure
Notice

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Risk Disclosure Notice

1. Risk Disclosure Notice

Before STARTRADER provides any trading services to you, it is important that you read and understand the contents of this Risk Disclosure Notice. This notice is designed to inform you of the potential risks associated with trading Forex and derivative products on the STARTRADER trading platform.

This disclosure is not intended to disclose or explain all the risks and other significant aspects involved in trading these financial products. You should ensure that you make informed decisions and seek independent professional advice if necessary.

2. Introduction

Trading in the foreign exchange (Forex) market and in derivative financial instruments, such as Contracts for Difference (CFDs), involves substantial risk and may not be suitable for all investors.

You should not engage in such trading unless you fully understand the nature of the contracts you are entering into, the extent of your exposure to risk, and your risk tolerance. You should carefully assess your investment objectives, financial situation, level of experience, and risk appetite before deciding to trade in Forex or derivatives.

You should not invest money that you cannot afford to lose.

Trading leveraged products such as Forex and CFDs means that even small movements in the underlying market can lead to significant profits or losses. Leverage magnifies both gains and losses, and there is a real risk of losing all your invested capital.

If you are in any doubt about the risks involved, you should seek independent financial advice from a qualified professional.

Forex and derivative products offered by STARTRADER are considered complex financial instruments. These products are not always readily realizable and may be difficult to value or sell at the desired time or price. They typically require a high level of financial knowledge, experience, and risk awareness.

Examples of complex financial instruments that may be traded via the STARTRADER trading platform include, but are not limited to, Rolling Spot Foreign Exchange Contracts (Rolling Spot Forex) and Contracts for Difference (CFDs) on assets such as equities, commodities, and synthetic indices.

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These instruments may not be suitable for all investors or permitted in all jurisdictions. Accordingly, STARTRADER is required to assess whether trading these products is appropriate for you, based on the information you provide regarding your financial profile and investment experience. You also have the responsibility to carefully consider your own circumstances and ensure you fully understand the risks involved. STARTRADER reserves the right, at its sole discretion, to offer or not to offer these products to you.

3. Margin Trading Risk Disclosure

Margin trading is a high-risk trading strategy that enables you to open and maintain positions by depositing only a portion of the total trade value, known as the margin requirement. The margin amount is determined by a set margin rate, and allows you to control a larger position than the capital you initially deposit. This is also referred to as leverage or leveraged trading.

While leverage can significantly magnify gains when market movements are in your favour, it equally magnifies losses if the market moves against you. Even a relatively small adverse price movement may result in substantial losses, potentially exceeding your initial margin deposit.

Margin Call and Ongoing Margin Obligations

If the value of your open positions moves against you, your account may fall below the required margin level. In such circumstances, you will receive a margin call, requiring you to deposit additional funds immediately to maintain your open positions.

You are solely responsible for ensuring that your account maintains sufficient margin at all times. If you fail to meet a margin call, your positions may be automatically liquidated, potentially at a loss, and you will be liable for any resulting deficit in your account. There is no cap on potential losses when trading on margin.

Suitability and Investor Responsibility

Margin trading carries a high degree of financial risk and may not be suitable for all investors. Before engaging in margin trading, you should:

- Understand how margin and leverage work;
- Assess your financial resources and risk appetite;
- Be prepared to cover losses that may exceed your initial deposit;
- Seek independent financial advice if you are uncertain about the risks involved.

You should never engage in margin trading unless you can afford to absorb substantial losses and have adequate capital available to meet all margin requirements and losses.

Risk Management Recommendations

To help manage your exposure and reduce the risk of loss, we strongly encourage the following risk management practices:

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1. Use Stop Loss or Limit Orders – Consider placing stop loss or limit orders to manage your downside risk. These orders are designed to close your positions automatically once they reach a certain price.

Note: Stop loss orders are not guaranteed. In volatile markets or in the event of pricing gaps, your order may be filled at a less favourable price (known as slippage), resulting in losses greater than anticipated.

2. Apply Lower Leverage – opt for lower leverage levels where possible. Imposing stricter margin requirements on yourself helps ensure that you trade within a risk tolerance appropriate to your financial capacity, and allows for better monitoring of potential close-out levels.
3. Monitor Your Account Continuously – regularly check your account balance, margin level, and open positions. Market conditions can change rapidly, and active monitoring helps you respond proactively to margin calls or exposure-related risks.

There is no guarantee of profit in margin trading. Losses can exceed your initial deposit, and you may be required to pay additional amounts. It is your responsibility to fully understand the risks, monitor your account, and employ risk mitigation strategies. By engaging in margin trading with STARTRADER, you acknowledge that you have read, understood, and accepted the risks involved and agree to be fully liable for your trading activity.

4. Additional Deposits

When trading on margin with STARTRADER, you are required to deposit an initial margin to open a position. It is your sole responsibility to ensure that your account maintains sufficient margin at all times to support your open positions.

If your margin level falls below the required threshold due to adverse market movements or increased exposure, you must either:

- Deposit additional funds promptly to restore the required margin level; or
- Reduce or close part of your position to lower your margin requirement.

Failure to take immediate action to address a margin deficiency may result in automatic liquidation of your open positions. STARTRADER reserves the right – but is not obligated – to close any or all of your positions without further notice in order to protect against further losses.

You acknowledge and agree that in such circumstances:

- Positions may be closed at the prevailing market price, which may result in realised losses;

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- You will be fully responsible for any deficit or negative balance resulting from the liquidation of your positions;
- STARTRADER shall not be liable for any losses incurred due to the timing or execution of position closures arising from insufficient margin.

Maintaining adequate margin is critical to avoiding forced liquidations and potential loss of capital. You are encouraged to monitor your margin status closely and to act proactively in maintaining compliance with your account's margin requirements.

5. Rolling Spot Forex

A Rolling Spot Forex Contract is a form of derivative contract that enables you to speculate on the future value of one currency against another. It may take the form of a contract for difference (CFD) or a non-deliverable forward contract. In either case, the contract is entered into for speculative purposes, and no physical delivery of currency takes place unless the position is explicitly closed for settlement.

Rolling Spot Forex contracts are typically automatically extended or "rolled over" at the end of each trading day. This rolling mechanism allows the position to remain open indefinitely, unless manually closed by the client or liquidated due to insufficient margin.

The value of these contracts is determined by fluctuations in the underlying foreign exchange rates. As such, the potential for profit or loss is directly linked to the volatility of the currency pair being traded. While these instruments can be used to generate trading gains, they can also result in substantial losses due to the highly leveraged nature of the product and the inherent volatility of the forex market.

Because no actual exchange of currency occurs during the lifetime of the contract, both parties are continuously exposed to market risk arising from price movements. This makes Rolling Spot Forex a complex and high-risk financial instrument that may not be suitable for all investors.

You should ensure that you fully understand the nature and risks of trading Rolling Spot Forex contracts before entering into any such positions. Independent financial advice is strongly recommended if you are unsure of the product's structure or risk profile.

6. Contracts for Differences (CFD)

A Contract for Difference (CFD) is a type of derivative financial instrument that allows you to speculate on the price movements of an underlying asset without taking ownership of the asset itself. CFDs can be based on a wide variety of underlying financial instruments, providing exposure to global markets without requiring ownership of the underlying asset. The value of a

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CFD is directly linked to the price movements of the chosen underlying assets, which may include foreign exchange pairs, equities, commodities, or synthetic indices.

A CFD is essentially an agreement between you and the CFD provider to exchange the difference between the opening price and the closing price of the contract. Rather than physically buying or selling the underlying assets, you place a trade that mirrors the price of the actual asset. The profit or loss you incur is calculated as the difference between the price of the underlying asset at the time the CFD is opened and the price at which it is closed, multiplied by the contract size (i.e., the number of units involved).

CFDs allow you to take both long (buy) or short (sell) positions, meaning you can profit from both rising and falling markets—provided the market moves in your favour. However, CFDs are highly leveraged products, and while leverage can amplify profits, it can equally amplify losses.

Losses can exceed your initial margin deposit and any additional funds provided to maintain the position. You may also be forced to close your position at a time that is financially disadvantageous if your margin falls below the required threshold and you are unable to provide further funds.

It is important to understand that CFDs are principal-to-principal contracts. This means that when you open a CFD position, you are entering into a contract directly with the CFD provider, rather than through an exchange. As a result:

- You are obligated to close the position with the same counterparty with whom you originally opened the trade;
- You cannot transfer or offset your position with another provider;
- You may be unable to seek a better price or execution elsewhere, even if market conditions would otherwise allow it.

This structure may increase your counterparty risk, as the contract's execution and performance depend solely on the financial integrity and operational capacity of the CFD provider.

7. Exchange Risk

When trading foreign exchange ("Forex") or derivative products involving foreign currencies, you are exposed to exchange rate risk, also known as currency risk. This is the risk of loss or gain resulting from unanticipated fluctuations in exchange rates – the prices at which one currency is exchanged for another.

Exchange risk arises when positions are opened or maintained in currencies other than your base or domestic currency. For example, if you maintain a long position in a foreign currency and that currency depreciates relative to your domestic currency, you may incur a loss when the position is closed. Similarly, if your margin account is denominated in one currency and the underlying

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asset is priced in another, changes in exchange rates can significantly affect your profit and loss calculations, margin requirements, and overall exposure.

This risk is particularly relevant when:

- Trading in currency pairs or derivatives denominated in non-domestic currencies;
- Holding positions across multiple currencies;
- The value of your trades, profits, or losses must be converted to your account's base currency;
- The underlying asset in a CFD or other derivative contract is priced in a foreign currency.

Exchange rates are influenced by a range of factors, including but not limited to interest rate changes, monetary policy, geopolitical events, economic data releases, and market sentiment. These factors can cause sudden and substantial movements in currency values, potentially resulting in losses that exceed your initial margin or deposit.

If trading on margin, these exchange rate movements may magnify your financial exposure and trigger margin calls. You may be required to deposit additional funds at short notice to maintain your position or risk liquidation at an unfavourable market price.

You should be aware that:

- Currency fluctuations can affect returns even if the underlying asset increases in value;
- Forex and currency-related derivative products are inherently volatile;
- There is no guarantee that you will be able to predict or mitigate exchange rate movements;
- Hedging strategies (such as using Stop Loss orders or currency options) may help reduce this risk but cannot eliminate it entirely, and may also incur additional costs.

If you do not fully understand the risks associated with exchange rate exposure or are unsure of your ability to manage this risk, you are strongly encouraged to seek independent financial advice before engaging in any currency-denominated transactions.

8. Liquidity Risk

Liquidity risk refers to the potential difficulty an investor may face in buying or selling a financial instrument without causing a significant impact on its price, or at all. Forex and derivative products, especially those that are less actively traded or operate outside of major market hours, are subject to this risk.

Liquidity risk arises when there are not enough market participants willing to transact at the desired price, volume, or time. In such cases, you may be forced to accept an unfavorable price,

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or you may be unable to exit or adjust your position quickly enough to avoid a loss. This can be particularly problematic in fast-moving or volatile markets.

Instruments with lower trading volume, such as exotic currency pairs, less common CFDs, or off-market derivatives, generally carry a higher degree of liquidity risk. This risk is commonly observed through:

1. Bid-Ask Spread – the difference between the buying (ask) and selling (bid) price may widen significantly during periods of low liquidity. A wide bid-ask spread reflects the cost of entering and exiting a position, and may result in immediate losses when trading.
2. Market Depth – limited depth means there may not be sufficient volume available at the current bid or ask price. Executing large orders under these conditions can cause significant price slippage, meaning you may not receive your expected execution price.
3. Market Resiliency – if a market is not resilient, it may take a prolonged period for prices to recover after abnormal trading activity or incorrect price movements. In illiquid markets, these distortions can persist, preventing you from trading at fair value.

Key Considerations

- Liquidity conditions can vary significantly between instruments, market sessions (e.g. during rollovers or major economic announcements), and trading venues.
- Lack of liquidity may delay execution, increase trading costs, or prevent stop-loss orders from being filled at expected levels.
- In extreme cases, open positions may be forcibly closed at unfavorable prices due to liquidity-driven volatility, resulting in large or unexpected losses.

Liquidity risk is a significant consideration when trading leveraged products such as Forex and CFDs and may amplify losses beyond your initial investment. You should assess whether the instruments you intend to trade are sufficiently liquid and monitor market conditions continuously.

9. Market volatility

Financial markets are subject to rapid and unpredictable fluctuations, and the prices of our products will reflect this volatility. Spreads, like exchange rates, can widen significantly in response to market conditions. These fluctuations may materially impact your trading account and increase the risks associated with leveraged trading.

A. Spread Widening and Execution Risk

During periods of market uncertainty, such as:

- Economic data releases,

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- Central bank announcements,
- Political developments (elections, referendums),
- Geopolitical tensions, or
- Unexpected global events,

You may experience abnormally wide bid-ask spreads. This can have the following effects on your account:

- The cost of entering or exiting a position increases, as wider spreads reduce trade efficiency.
- You may experience immediate unrealised losses due to the spread differential being marked against your equity.
- The likelihood of breaching your margin requirement increases, potentially leading to a margin close-out or forced liquidation of your positions.

B. Profit and Loss Fluctuations

Under extreme volatility, your profit and loss (P&L) may fluctuate significantly and rapidly. This creates heightened risk, particularly for accounts trading on high leverage. Consequences include:

- Increased chance of early margin close-outs, as equity can erode quickly;
- Greater potential for your account to fall into negative equity, especially during sharp price movements or gapping events;
- Limited opportunity to intervene or manage risk due to fast market conditions.

C. Gapping Risk

Gapping is a market condition where prices suddenly move from one level to another without trading at intermediate prices. Gaps commonly occur around:

- Major news announcements,
- Market openings after weekends or holidays,
- Sudden global developments affecting investor sentiment.

When gapping occurs:

- Your stop-loss orders may not be executed at the expected price;
- Orders may be filled at less favourable levels than anticipated (slippage);
- There may be no opportunity to place, modify, or cancel orders between the two price levels.

This can lead to greater-than-expected losses or missed trading opportunities.

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Market volatility and gapping are inherent risks of trading leveraged financial instruments. These conditions can amplify losses and may result in:

- Immediate changes to account equity,
- Margin calls,
- Forced position closures,
- Negative balances.

Traders are encouraged to implement robust risk management strategies, such as:

- Using conservative leverage,
- Monitoring positions continuously,
- Setting realistic stop-loss levels (with awareness of slippage risks).

If you are unsure of your ability to manage these risks or how volatility may affect your trading activity, you should seek independent financial advice before engaging in trading activities.

10. Weekend and Holiday Risk

Trading activity is subject to market operating hours, and there are specific periods – such as weekends, public holidays, and market closures – during which you will not be able to place new trades, modify open orders, or close positions. Market operating hours vary by product and asset class, and the applicable trading times are published on our website and trading platforms.

You should be aware that when the financial markets reopen after a closure period, such as over a weekend or after a bank holiday, they may do so at a price that is significantly different from the closing price prior to the market's suspension. This phenomenon is known as a weekend gap or holiday gap.

Risks Associated with Market Closures

- No Order Execution or Modification – you will be unable to place, modify, or cancel orders during weekends or market holidays, even in response to breaking news or major developments.
- Gapping on Market Open – upon reopening, markets may gap up or down, which may result in your orders being triggered at prices that are substantially different from your specified levels, particularly with non-guaranteed stop-loss orders.
- Stop-Loss Execution Risk – stop-loss orders placed to protect positions over a weekend or holiday are not guaranteed. In volatile conditions or after market-moving events during the closure, these orders may be executed at a much less favourable price than anticipated (due to slippage).

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- Increased Loss Potential – you remain fully liable for any losses arising from adverse price movements, even if they occur while the market is closed and your ability to act is restricted.

Important Considerations

- If you choose to hold positions open over weekends or holidays, you must be prepared for the risk of significant price movement while trading is unavailable.
- Consider reducing or closing highly leveraged or sensitive positions ahead of market closures to manage your exposure.
- Stay informed of upcoming market holidays and trading breaks, and plan your trading strategy accordingly.
- If in doubt, seek independent financial advice before allowing open positions to remain active during such periods.

11. Charges and Commissions

Before engaging in any trading activity with STARTRADER, you should ensure that you fully understand all costs, commissions, and charges associated with the products and services you intend to use.

Trading leveraged products such as Forex, CFDs, and derivatives may be subject to various fees, including but not limited to:

- Commissions on executed trades;
- Spreads (the difference between bid and ask prices);
- Overnight financing, admin fees or swap charges for positions held overnight;
- Inactivity or account maintenance fees (where applicable);
- Withdrawal, conversion, or other administrative charges.

All applicable charges and commissions have been disclosed to you separately and are also available on our website or within your account interface. It is your responsibility to review these fees prior to trading and to consider how they may affect your profitability and overall account performance.

Please note that charges and spreads may vary depending on market conditions, account type, or the specific product being traded. STARTRADER reserves the right to amend its fee structure at any time, in accordance with the terms of your client agreement and with prior notice where required.

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12. Client Money Protection

Unless otherwise agreed with you in writing, STARTRADER will hold all client funds in segregated bank accounts, separate from the firm's own funds, in accordance with the applicable Client Money Rules or other applicable regulations. These accounts are maintained with reputable financial institutions to safeguard your money; however, while segregation provides a degree of protection, it does not guarantee full recovery in the event of a bank failure. You acknowledge that your funds may be pooled with those of other clients, and in the event of a default or shortfall, losses may be shared proportionately. Interest is not payable on client money unless expressly agreed, and you will be notified in writing of any material changes to the way your funds are held.

13. Execution Only

All trading activities conducted with STARTRADER are carried out on an execution-only basis, meaning we do not provide you with investment advice or make personal recommendations in relation to any financial instruments or transactions. While we may provide factual information about market conditions, products, transaction procedures, and associated risks – including how such risks may be mitigated – any decision to trade is made solely at your own discretion and risk. You acknowledge that you are solely responsible for evaluating the merits and suitability of any investment or trading strategy undertaken through your account.

14. General

Trading through internet-based platforms involves risks, including but not limited to hardware or software failures, internet connectivity issues, delays or interruptions in data transmission, order execution or price feeds, cyberattacks, viruses, or unauthorized access to systems. STARTRADER is not responsible for any losses, damages, or claims arising directly or indirectly from system or network issues, communication failures, or any events beyond STARTRADER's reasonable control. Back-up systems and contingency plans are in place to minimise the risk of system failure.

When you trade, you are exposed to the performance of underlying instruments or assets – including foreign exchange, indices, synthetic indices, and commodities – each of which carries distinct features and risks. You should ensure that you fully understand these risks before engaging in trading with us.

STARTRADER may act as both the manufacturer and distributor of its products.

While STARTRADER takes reasonable measures to ensure the accuracy of information provided on its website, such information may change without notice. Any opinions, research, analyses, prices, news, or other information published are provided solely as general market commentary

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and do not constitute investment advice. STARTRADER is not liable for any loss or damage, including loss of profit, arising directly or indirectly from use of or reliance on such information.

If you are uncertain about any aspect of the risks associated with the financial instruments referenced in this Risk Disclosure Notice, you should seek independent professional advice. Trading in forex and derivative products may not be suitable for all investors.

Margin trading is not designed to replace traditional investment methods and is not appropriate for everyone. You must carefully consider your financial situation and ensure you fully understand the risks before engaging in such trading activities.