



**APM Capital**

Count More with Us

**APM Capital Limited**

**Risk Disclosure**

## **Risk Disclosure**

This disclosure is a necessary addition to the General Client Agreement, Terms and Conditions (“GTC”) with APM Capital Limited (“APM” or “the Firm”) and should be acknowledged and electronically confirmed by the Client (“You” or “your”). This disclosure is not intended to include all risks associated with the products provided to you by the Firm. The products and services provided to you by APM are detailed in the GTC. In addition to the GTC, the Firm is required to 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 loses 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 APM. OTC Derivatives are high risk financial products, which may not be 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 APM are not guaranteed. APM 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, APM may seek to recover these losses in an appropriate forum, such as a court of law.

Before you are able to trade with APM, you would need to deposit funds, this is known as margin requirement. The margin requirement would be 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.

APM 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.

The Firm also reserve the right to close one or more of your positions as per our GTC and all other documents which are binding for client. In such instances, you will be responsible for any losses incurred. If any additional amount is outstanding to APM, the Firm may seek to recover these losses in an appropriate manner, such as a court of law. APM will from time to time, as per the GTC; be entitled to increase our margin requirements at short notice. If the Firm does so, you may be required to deposit additional funds into your account to cover the increased margin requirements. If you fail to do this, APM is 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 APM in accordance with our requirement to provide best execution (as per our Execution Policy). Each OTC Derivative you open with APM, would result in a Contract with APM (the counterparty to all your trades) and will only closed only with APM. The contracts traded on OTC Derivatives do not provide any right to the underlying instruments or voting rights.

### **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**

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

### **Advisory**

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

### **Conflicts of Interests and Inherent Conflicts**

The Firm is aware that the services and products offered can create conflicts, therefore the Firm has in place robust policies and procedures to identify, prevent, and manage conflicts. The Firm has 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 APM.

APM is the counterparty to all OTC transactions. When you sell, APM will be the buyer. When you buy, APM will be the seller. When you lose money on a transaction, APM may make money on the same transaction in addition to fees and commissions it may charge you. APM takes all reasonable steps to ensure that it offers its clients the best prices available to it. All product specifications, including Spreads and Margins are Available in APM website and in the trading platform(s) which APM makes available for clients. The spreads quoted on the trading platforms 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, the Firm's 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.

APM employees may receive small gifts and minor hospitality from other parties with whom APM 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 the Firm's 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. APM is regulated by the Financial Services Regulatory Authority (FSRA) and registered in the Abu Dhabi Global Markets (ADGM). How you use the platform is governed only by your contract with APM. The trading platform may not be regulated by a financial services regulator.

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.

### **Tax Treatment**

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

## **Electronic Communication**

APM offers you the opportunity to deal and communicate with APM via electronic means, for example by our dealing platform and, in certain circumstances, by email. Although electronic communication is often a reliable way to communicate, no electronic communication is entirely reliable or always available. If you choose to deal with APM via electronic communication, you should be aware that electronic communications can fail, can be delayed, may not be secure and/or may not reach the intended destination.

## **Regulatory and Legal Risks**

The risk that a change in laws and regulations will materially impact a security and investments in a sector or market. A change in laws or regulations made by the government or a 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. This risk is unpredictable and may vary from market to market. In emerging markets such risk may be higher than in more developed markets. For example, in emerging markets the inadequacy or absence of regulatory measures can give rise to an increased danger of market manipulation, insider trading or the absence of financial market supervision can affect the enforceability of legal rights.