INVEST M GLOBAL LTD

RISK DISCLOSURE

FEBRUARY 2023

Regulated by the Financial Services
Commission of Mauritius

1 INTRODUCTION

Invest M Global Ltd (hereinafter "the Company", "us", "our", "we") holds an Investment Dealer (Full-service Dealer, excluding underwriting) License, GB23201641, under Section 29 of the Securities Act 2005, Rule 4 of the securities (Licensing) Rules 2007 and the Financial Services (Consolidated Licensing and Fees) Rules 2008.

Clients and Prospective Clients must read this notice before beginning their relationship and before commencing any trading activity with our Company.

This General Risk Disclosure cannot and does not disclose or explain all the possible risks that Clients could face, however, it is designed to explain in general terms the risks involved in dealing with Financial Instruments. The client should be aware of all the risks associated with trading in Contracts for Difference (CFDs) and seek advice and consultation from independent financial advisors if they have any doubts. The Company does not provide such advice, and if the Client does not understand the risks of trading CFDs, they should not trade at all.

CFDs are an agreement between two parties to exchange the difference between the opening and closing price of a contract, including but not limited to shares, currencies, commodities, and indices. Investors trading with CFDs face all the benefits and risks of owning securities, but they do not have any rights to the underlying asset.

2 RISKS ON CFD

Please note that CFDs are complex financial instruments that carry a significant risk of losing your money quickly due to leverage. In fact, according to this provider's data, more than 80% of retail investors who trade CFDs with them lose money. Before you start trading CFDs, it's important to carefully consider whether you understand how they work and whether you can afford to take on the high risk of losing your investment.

CFDs are a type of high-risk investment that may not be appropriate for everyone. It is important to understand the risks and characteristics of CFDs before trading them. One of the main risks is magnified losses due to leverage, which allows you to initiate trades of much larger nominal value than the amount of equity you have available. If you are unsure about trading CFDs, you may want to seek independent advice first.
It is important to note that while the company has an obligation to assess whether CFDs are appropriate for you based on your knowledge, experience, and financial resources, it is ultimately your responsibility to decide whether or not to trade CFDs.

CFDs are not suitable for long-term investors and require constant monitoring over a short period of time. Maintaining a CFD position open overnight exposes you to greater risk and additional cost, and the volatility of financial markets combined with extra leverage can result in rapid changes to your overall investment position.

CFDs are not suitable for an investor seeking an income from their investments, as the income from such investments may fluctuate in value. CFDs are speculative products that allow investors to take advantage of prices moving up (long positions) or prices moving down (short positions) on all underlying financial instruments.

The client has no rights or obligations in respect of the underlying instruments or assets relating to the CFDs, and there is no delivery of the underlying instruments. Therefore, it is important to invest only money that you can afford to lose. Due to their nature as leveraged products, CFD trading can result in the loss of all your invested capital.

One of the risks of trading CFDs is price volatility, which can be caused by unexpected economic events or market announcements. It is important to monitor your positions closely, as the company may be unable to execute your instructions at the requested price, exposing you to execution risk.

Before opening a CFD, you will be required to deposit money with the company as a margin. This margin requirement will usually be a proportion of the overall contract value, depending on the leverage of the specific underlying instrument. Trading using leverage can work for or against you in equal measure.
At all times during which you have open positions, you must ensure that the amount in your trading account exceeds the maintenance margin to keep a transaction open. If the price moves against you and you fail to do this, the company will be entitled to close or partially close your trades, and you will be responsible for any losses that may be incurred.

CFDs are not traded on any exchange, and prices are set by the company, subject to its obligation to the client. Prices may be different from prices reported elsewhere and may not directly correspond to real-time market levels at the point in time at which the sale of options occurs.

3 COST DISCLOSURE

Prior to investing in CFDs, the Client needs to be aware of any costs involved, such as Spread(s), Commission(s), and Swap(s). For the purposes of this Notice, a swap means the interest added or deducted for holding a position open overnight. The swap for a position opened on Wednesday and held open overnight is three times that of other days; the reason for this is that the value date of a trade held open overnight on a Wednesday would normally be Saturday, but since banks are closed, the value date is Monday and the client incurs an extra two (2) days of interest. From Friday to Monday swap is charged once. For further details regarding Commission, Fees and Charges please refer to our Terms & Conditions.

A spread refers to the difference between the bid price and the ask price of a financial instrument, such as a stock, commodity, or currency. The bid price is the highest price that a buyer is willing to pay for the instrument, while the asking price is the lowest price that a seller is willing to accept for it. The spread represents the cost of trading the instrument, as it is the amount that the buyer must pay above the market price and the amount that the seller receives below the market price. The size of the spread can vary depending on various factors, such as the liquidity of the instrument, the trading volume, and the market conditions.

4 RISK STATEMENTS WITH LEVERAGE

Trading in financial markets involves a high level of risk, including the risk of losing your entire investment. When trading on margin or using leverage, your losses may exceed your initial investment, and you could be required to deposit additional funds to maintain your position. Leverage can amplify both gains and losses and may not be suitable for all investors.

If you use leverage or margin trading, you are essentially borrowing money to trade. This can magnify both potential profits and losses and can result in rapid losses that can exceed your original investment. It's important to carefully consider your investment objectives, risk tolerance, and financial situation before using any leveraged products or trading on margin.

Leverage is typically expressed as a ratio, such as 10:1 or 100:1, which means that for every dollar you deposit, you can control ten or one hundred dollars of the underlying asset. While leverage can potentially increase your profits, it can also increase your losses. You should be aware that even a small movement in the market can result in a significant gain or loss when using leverage. Leveraged trading means that potential profits are magnified, but losses are magnified as well. Leverage enables clients to execute trades with a significantly larger nominal value than the funds they have available. Instead of requiring the full amount, a much smaller margin is used to initiate the trade. For instance, with 1:50 leverage, also known as a 2% margin requirement, a USD 100,000 trade on an instrument would require USD 2,000 of equity. It's important to note that the lower the margin requirement, the greater the potential risk of losses if the market moves unfavorably. However, the company provides negative balance protection, meaning that clients cannot lose more than their initial investment.

In addition to the risks associated with leverage, you should also be aware of the risks associated with the underlying asset or security. These risks can include market risks, credit risks, and liquidity risks, and can vary depending on the specific asset or security you are trading.

Our platform provides access to leveraged products and margin trading, and we offer educational resources and tools to help you better understand the risks involved. However, you should be aware that trading in financial markets is inherently risky, and you should not invest more than you can afford to lose.

By using our platform, you acknowledge that you have read and understood this risk statement and that you accept the risks associated with trading in financial markets. If you have any questions or concerns about the risks associated with our products or services, please contact us using the information provided in this policy.

5 TECHNOLOGY AND TECHNICAL RISKS

Our Company relies on technology to provide access to financial markets and execute trades. While we take steps to ensure the stability and security of our platform, there are inherent technical risks involved in using any online system.

These technical risks include, but are not limited to:

- System failures leading to delayed or failed trade execution or settlement,
- Technical glitches causing incorrect pricing or other errors,
- Mismatch in prices between the time trade was initiated and executed,
- Cyber-attacks or security breaches leading to unauthorized access or data theft,
- Disruption of trading activities due to technical issues,
- Inadequate technology infrastructure or systems leading to inefficiencies or errors,

- Incompatible or outdated software or hardware causing issues with trade execution or settlement,
- Lack of redundancy or backup systems in case of system failures or disasters,
- Insufficient cybersecurity measures leading to vulnerabilities and risks to data and systems,
- Difficulty in integrating with external systems or platforms used by clients or counterparties.

We take these technical risks seriously and have implemented a range of measures to help mitigate them, including:

- Invest in robust and redundant technology systems and infrastructure,
- Implement strict cybersecurity measures, such as firewalls, encryption, and multi-factor authentication,
- Conduct regular testing and monitoring of technology systems and processes,
- Develop and implement contingency plans for business continuity and disaster recovery,
- Maintain up-to-date software and hardware to avoid compatibility issues,
- Provide adequate training to employees on technology systems and cybersecurity best practices,
- Partner with reliable technology vendors and service providers,
- Regularly review and update technology policies and procedures to ensure they are effective and up-to-date,
- Develop and maintain strong relationships with clients and counterparties to minimize technical issues and ensure smooth communication and coordination,
- Ensure regulatory compliance with technology-related rules and requirements.

It's crucial to acknowledge that technical risks are inherent in any online system and cannot be eliminated. By using our platform, you accept and recognize these technical risks, understanding that we cannot guarantee uninterrupted or error-free operation of our platform or services.

If you have any questions or concerns regarding the technical risks associated with our platform or services, please contact us using the information provided in this policy.

6 TRADING PLATFORM/TERMINAL RISK

Trading in financial markets through our trading platform/terminal involves risks, including but not limited to market volatility, execution risks, and technical risks. By using our trading platform/terminal, you acknowledge and accept these risks, and you understand that we cannot guarantee that our trading platform/terminal will always be uninterrupted or error-free. It's crucial to acknowledge that trading in financial markets involves risks, and you should carefully consider your investment objectives, risk tolerance, and financial circumstances before trading. It's also important to have a solid understanding of the markets you trade in, as well as the functionality and operation of our trading platform/terminal. If you have any questions or concerns regarding the risks associated with trading on our platform/terminal, please contact us using the information provided in this disclosure.

7 EXPOSURE TO COMMUNICATION RISK

Communication with the Company, including email and telephone communications, may be subject to interception, loss, or delay. We take reasonable precautions to reduce these risks, but we cannot guarantee the security or confidentiality of these communications. We will not be liable for any damage incurred by you or any third party arising from the interception, loss, or delay of communication with our firm.

We also remind you that any electronic communication sent to our firm, including emails and attachments, may be monitored, and retained for regulatory compliance purposes.

Please do not disclose sensitive personal or financial information in any communication with our firm and contact us immediately if you suspect any unauthorized access to your communication with our firm.

If you have any questions or concerns about the risks associated with communication with our firm, please contact us using the information provided in this disclosure.

8 LIQUIDITY RISK

Liquidity risk refers to the risk that the company may be unable to meet its financial obligations to clients or counterparties due to a lack of available funds or assets that can be quickly converted into cash.

This risk can arise due to various factors, such as a sudden increase in demand for certain currencies or financial instruments, a decrease in the number of market participants willing to provide liquidity or unexpected market events that cause significant fluctuations in prices or volatility.

The company may be exposed to liquidity risk in several ways, including:

1. **Market risk:** The risk that the company may not be able to offset its trading positions in the market due to a lack of liquidity, resulting in losses.
2. **Credit risk:** The risk that the company's counterparties may default on their financial obligations, such as failing to settle trades or failing to make margin payments.
3. **Funding risk:** The risk that the company may not be able to raise sufficient funds to meet its financial obligations to clients or counterparties.

To mitigate liquidity risk, we may implement several measures, including:

1. Maintaining adequate liquidity buffers to ensure that they have sufficient funds to meet their financial obligations to clients or counterparties.
2. Diversifying their client and counterparty base to reduce their exposure to concentration risk.
3. Monitoring market conditions and regularly reviewing their risk management policies to ensure they remain effective.
4. Establishing credit lines with reputable financial institutions to access additional funding if needed.

9 COMMISSION AND TAX RISK

It is crucial to have a clear understanding of all the commissions and charges associated with trading before you begin. Some fees may be expressed as a percentage of the contract's value rather than a monetary value, so it's important to understand the actual cost in monetary terms.

It is important to note that your trades, including those involving derivatives and other financial instruments, may be subject to taxes or duties due to changes in legislation or your individual circumstances. The Company cannot guarantee that no taxes or duties will be owed, and it is your responsibility to pay any taxes or duties that may arise from your trades.

In addition, you are responsible for managing your own tax and legal obligations, such as making regulatory filings and payments and complying with relevant laws and regulations. Our company does not provide tax, legal, or regulatory advice, and we strongly recommend that you seek independent advice if you have any doubts or concerns about the tax treatment or liabilities associated with any investment products offered by us.