

HIROSE SOLUTIONS LIMITED

Risk Warning

If you are considering entering into a margined Foreign Exchange transaction with Hirose Solutions Limited (“us”, “we”, “our”) it is important to understand that it is a high-risk financial product and is not suitable for many members of the general public.

It is important that you understand the risks involved when trading margined Foreign Exchange. You should carefully consider whether it is suitable for you given your current circumstances, financial resources and investment objectives. Please make sure to read and understand [important notes in respect of online forex trading](#) before you start trading with us.

This notice provides you with information about the risks of trading margined Foreign Exchange but it cannot and does not explain all of the risks and other significant factors when dealing in such products. If you are in any doubt, you should seek professional advice before entering into a transaction with us.

1. There are risks involved with borrowing

The high degree of “gearing” or “leverage” attainable with this type of transaction allows you to place a comparatively modest margin or deposit in relation to the notional value of the instrument you are trading. A relatively small movement in the underlying market can have a disproportionately dramatic effect on your transaction. If the underlying market moves in your favor, you may achieve a good profit but equally, a movement against you may result in a significant loss of your deposit and you may be exposed to further loss over and above your initial deposit. These risks can be amplified if you decide to use a credit card or other form of credit/borrowing facility to fund your trading.

2. You may lose more than your investment

Trading with us involves the risk that you will lose more than your investment. A trade with us is different to trading other types of financial instruments, for example shares, where you will generally only stand to lose the amount that you pay for those assets.

Your margin is the amount that we require you to deposit with us in order to open a trade. You may be required to deposit further additional funds to maintain any open positions if the market moves against you and your account moves into deficit. All open positions require that your account balance (inclusive of running profits and losses) is equal to at least the margin requirement that we require you to have paid us.

We will be entitled to close all your open positions at the point where the funds in your account fail to satisfy the margin requirement and you will be liable for any losses incurred. It is your responsibility to closely monitor your positions and you

should ensure that you are in a position to be able to do so. To prevent closure of your trades, you should deposit a sufficient amount of money into your account to cover any potential losses or costs from your trades.

3. We act as market maker in respect of transaction prices

The prices on which you transact are not made on an exchange. Rather, they are set by us, subject to any obligations we have to provide best execution, to act reasonably. We act as market maker in this regard. This means that our price may be different to any exchange or market price, or the price of any other similar service provider. The profits or losses that you make from trades made with us will only be in relation to our prices.

Every transaction you make with us constitutes a contract between us. These contracts can only be closed with us and are not transferable to third parties. As such, they may involve greater risk than investing in on-exchange contracts because there is no exchange market on which to close out an open position. Such contracts do not provide any rights to the underlying instrument and are legally enforceable by both parties.

Certain orders including stops, stop-loss and OCO (one cancels the other), trailing stop orders will be dealt with by us in a prompt and fair manner, but in some circumstances (for example where the price volatility of a market has increased) the price you requested execution at and the resulting actual execution price may be significantly different.

4. Volatile markets

While prices from which to trade are set by us it is important to understand that they are derived from the underlying market and carry certain risks. Examples include:

- a) 'Gapping' which is a sudden movement in the underlying price (and reflected in our price) from one level to another. This may be due to an economic event or market announcement and can occur at any time (whether or not the relevant market is open). This may significantly impact the ability for you to open or close a position and potentially result in dramatically increased losses (or profit) to you.
- b) If there is any event in the foreign exchange market that can affect the underlying price arises over the weekend, the market on Sunday may start at an extremely different price from that of the market close on Friday. In such cases, your stop-loss or stop-out (margin call) orders may be executed at a worse price exceeding your expected loss, and you may lose substantially more than your initial investment.
- c) Underlying market conditions can change significantly in a short timeframe. The size of transactions, spreads and prices that we set may change accordingly; the conditions under which you open a position may therefore be different from those when you close a position.

- d) Currency exchange fluctuations can impact on your profit and loss potential if you trade in a market other than your base currency market.

5. Hirose does not guarantee protection of your money

Money that we hold on your behalf will be held in a segregated client money bank account separate from our own money, although this may not provide complete protection (for example, if the bank that we use becomes insolvent).

Money that is owed by you to us and amounts that are required to cover your potential liabilities to us (where permissible) will be transferred from the segregated bank account and treated as our own money.

6. We do not provide advice

We do not provide advisory services and if you require investment advice you should consult your own independent adviser.

7. Trading times

Market opening and closing times can be found on our website but may be subject to fluctuation. Please be aware that not all products can be transacted 24 hours a day. For instance, national holidays and Daylight-Saving changes will affect trading times as will any suspended market. Full details can be found in the Trading Terms on the Website.

8. Costs and charges

Our costs and charges can be found on our website. Please be aware of any costs or charges that apply to you as they can affect your profitability.

9. Tax treatment

Your tax treatment will depend on your individual circumstances and tax law can change or may differ in a jurisdiction.

10. Electronic communications

You are able to trade and communicate with us via electronic means using our trading platform and through email respectively. While electronic communication is generally reliable it may not always be reliable or available. Please be aware that electronic communications can fail, be subject to delay and may not reach the intended destination.