



Risk Disclosure and Warning Notice

Updated Version October 2023

Table of Contents

1. Introduction	3
2. Services offered by NAGA.....	4
3. Contracts for Difference (“CFDs”).....	5
4. Real Stocks.....	6
5. Trading on Margin and Leverage.....	6
6. Product Market Assessment	9
7. Risk associated with Copy – Trading	9
8. Charges and Taxes	12
9. Third Party Risk.....	12
10. Technical and Trading Platform Risk	13
11. Market Commentary	15
12. Insolvency and Investor Compensation Fund	15
13. Suspension of Trading	16
14. Advice and Recommendations	16
15. General Risk Warning for NAGA Instruments and Services.....	17
16. Additional information	21
17. Revision	21

1. Introduction

NAGA Markets Europe Ltd (hereinafter "**NAGA**") is a Cypriot Investment Firm ("CIF") registered with the Registrar of Companies in Cyprus under number HE 251168 and regulated by the Cyprus Securities and Exchange Commission ("CySEC") under license number 204/13.

NAGA is operating under the Cypriot Law L. 87(1)/2017 titled "Investment Services and Activities and Regulated Markets Law of 2017" which transposed the European Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as the same may be in force from time to time and modified or amended from time to time (hereinafter "MiFID II").

The present document, "NAGA Risk Disclosure and Warning Notice", is provided to all Clients and prospective Clients in accordance with the requirements of the above legal framework and provides a general description of the nature and risks associated with the financial instruments provided by NAGA. This document does not explain all the risks involved in trading CFDs or how such risks relate to each client's personal circumstances. CFD trading involves risk to invested capital. NAGA highly recommends not to invest funds that each client cannot afford to lose. If Clients choose to enter into a trading relationship with NAGA, it is important that they remain aware of the risks involved, that they have adequate financial resources to bear such risks and that they monitor their positions carefully. If you are in any doubt about the risks involved, you should seek professional advice.

All Clients and prospective Clients should carefully read the following risk disclosure and warnings contained in this document, before applying to NAGA for a trading account and before they begin to trade with NAGA. However, it is noted that this document cannot and does not disclose or explain all the risks and other significant aspects involved in dealing in Financial Instruments. The notice was designed to explain in general terms the nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis.

NAGA offers the Real Stocks and Contracts for Difference (the "CFDs") with underlying assets including Equities, Indices, Cryptocurrencies, Commodities, Exchanges Traded Funds and Foreign Exchange.

In consideration of NAGA agreeing to enter into a business relationship, the Client hereby

acknowledges, understands and agrees with the risks and warnings included in this document and warrants that they are willing and able, financially, or otherwise, to undertake the risk of incurring losses and damages when trading in the financial instruments offered by NAGA.

In addition, all Clients and prospective Clients can refer to the Key Information Document (hereafter "**KID**"), which provides you with key information about NAGA's investment products, available [here](#). This information is required by the legal framework to help you understand the nature, costs, risks, and rewards of this product and to help you compare it with other products.

Client ensures that they understand that trading in CFDs is highly speculative and is categorized as high-risk investments due to their derivative nature and no guaranteed return. Therefore, all Clients or prospective Clients must ensure that they understand the risks involved for each one of the financial instruments offered by NAGA, considering their level of knowledge and experience. The Client should not risk more capital than they are prepared to lose.

Consequently, before applying for a trading account, the Client should carefully consider whether investing in a specific financial instrument is suitable for them by taking into account their personal circumstances and financial resources. If the Client does not understand the risks involved, then they should seek independent advice and consultation from an independent financial advisor or should not trade at all.

2. Services offered by NAGA

NAGA, following the provisions of its authorization provides the following services to its clients:

1. Reception and transmission of orders in relation to one or more financial instruments;
2. Execution of Clients' Orders; and
3. Portfolio Management, in relation to Copy Trading, please refer to **Section 7** for further information.

NAGA does not provide investment advice in relation to Real Stocks and CFD products.

In addition to the services stated above, NAGA may act as the principal or an agent in relation

NAGA Markets Europe Ltd

Licensed and regulated by CySEC with License No. 204/13

Address: Agias Zonis 11, CY-3027 Limassol

Tel.: +357 25041410 | Website: www.nagamarkets.com | Email: support@nagamarkets.com

to the Execution of Clients' Orders.

CFDs are complex products and are not suitable for all investors. A [high risk](#) of retail investor accounts lose money when trading CFDs with this provider.

Don't use money you can't afford to lose. You should lose much more than your initial payment.

You should only consider trading in CFDs if:

- *you have extensive experience of trading in volatile markets,*
- *you fully understand how they operate, including all the risks and costs involved,*
- *you are aware that the greater the leverage, the greater the risk,*
- *you understand that your position can be closed whether or not you agree with the provider's decision to close your position,*
- *you have sufficient time to manage your investment on an active basis*

3. Contracts for Difference ("CFDs")

CFD is a derivative instrument priced with reference at an underlying asset price. CFDs are traded Over the Counter and no Regulated Market will be involved in the transaction. CFDs involve greater risk than investing in on-exchange products, as market liquidity cannot be guaranteed, and it may be more difficult to liquidate an existing position. The prices and other conditions are set by us in accordance with NAGA's obligation to provide best execution as included in the **Order Execution Policy** and in NAGA's **Client Agreement**, available [here](#).

NAGA's services are available for retail clients, professional clients, and eligible counterparties. Please refer [here](#) for further information relating to NAGA's **Client Categorization Policy**. CFDs are high risk and complex financial products, generally used for speculative purposes, which are not suitable for all members of the public. CFDs are not appropriate for "buy and hold" trading, therefore if the client does not have enough time to monitor such investment on a regular basis, he or she should not trade in CFDs.

The CFDs available for trading with NAGA is non-deliverable spot transactions giving an opportunity to make profit on changes in the Underlying Asset (cash indices, index futures, futures, commodity futures, spot crude oil, spot gold, spot silver, single stocks, currencies, or any other asset according to the NAGA's discretion from time to time).

Clients and prospective clients must not enter into CFD trading unless they are willing to undertake

NAGA Markets Europe Ltd

Licensed and regulated by CySEC with License No. 204/13

Address: Agias Zonis 11, CY-3027 Limassol

Tel.: +357 25041410 | Website: www.nagamarkets.com | Email: support@nagamarkets.com

the risk of entirely losing all the capital which they have invested.

4. Real Stocks

Real Stocks are the part of ownership within a specific company/incorporation. In general, the price depends on how well the company is doing, so in case the company is doing well in financial terms, then the price of share of the specific company will increase and if the Company does not do well, then the price will fall.

Real Stock Trading is available only through the NAGA ecosystem. In this respect, all clients and prospective clients shall be aware that they will be unable to transfer their Real Stocks outside the NAGA ecosystem.

Prior to entering into Real Stock Trading, all clients and prospective clients that place an order (whether during normal market hours or when the market is closed), agree to pay or receive the prevailing market price at the time the market order is executed to avoid paying a higher price and possibly exceeding their purchasing power or selling it at a lower price than they would like.

All clients and prospective clients, that wish to engage in Real Stock Trading shall choose to enter a Limit Order.

5. Trading on Margin and Leverage

NAGA provides leverage for Clients to trade on margin. For example, a trading contract on leverage of 1:30 will only require 3.33% of the contract's value as an initial margin. **Small movements in the underlying instrument's price will result in large potential gains or losses for the Client.**

NAGA offers to its Retail Clients the trading accounts presented in **Table 1** to **Table 3**, below, depending on the Client's Trading Account Categorization.

Table 1: Elementary Account Leverage and Margin Levels

Underlying Instrument	Margin Rate	Leverage Level
Real Stock Trading	100%	N/A

Table 2: Intermediary Account Leverage and Margin Levels

Underlying Instrument	Margin Rate	Leverage Level
Major Foreign Exchange pairs between the following: USD, EUR, JPY, GBP, CAD and CHF	5%	1:20
Other Foreign Exchange – All other currency pairs	10%	1:10
Gold (XAU/USD)	5%	1:20
Major indices¹¹	10%	1:10
All other indices	20%	1:5
Commodities, other than Gold	20%	1:5
Shares and ETFs	50%	1:2
Cryptocurrencies	50%	1:2

Table 3: Advanced Account Leverage and Margin Levels

Underlying Instrument	Margin Rate	Leverage Level
Major Foreign Exchange pairs between the following: USD, EUR, JPY, GBP, CAD and CHF	3.33%	1:30
Other Foreign Exchange – All other currency pairs	5%	1:20
Gold (XAU/USD)	5%	1:20
Major indices	5%	1:20
All other indices	10%	1:10
Commodities, other than Gold	10%	1:10
Shares and ETFs	20%	1:5
Cryptocurrencies	50%	1:2

Trading on margin enables Clients to achieve high potential profits but also increases the risk of high potential losses. All Clients are warned that as a general rule, higher leverage increases the risk of high losses. Trading on margin carries very high risks and NAGA strongly advises all Clients to carefully consider the proper level of leverage for their trading style, objectives, and risk appetite and to seek independent advice where necessary.

The Client is required to deposit a margin with NAGA in order to open a trade. The margin requirement will depend on the underlying instrument of the derivative Financial Instrument, the level of the Client's leverage and the value of the position to be established. When the margin level required to maintain the open position(s) in the Client's trading account falls below the minimum margin requirement, as specified by NAGA, NAGA may, but shall have

¹ Major Indices includes EURX50, GERMAN30, UK100, FRENCH40, JPN225, US30, SPX500, NAS100, EU50#, DE30#, FTSE100#, FRA40#, JAP225#, DJ30#, US500#, US100#¹

no obligation whatsoever, to issue a 'margin call', and in this case the Client will have to either increase the 'equity' in their trading account by depositing additional funds and/or close their positions. If the Client does not perform any of the aforementioned and the trading account reaches or falls below the 'stop out level', as this is specified by NAGA, the automatic 'stop out mechanism' will be initiated and will start closing the open positions at the current market prices, in descending order on the basis of level of loss of each trade. NAGA guarantees that there will be no negative balance in the Retail Client's account when trading in financial instruments provided by NAGA due to the Negative Balance Protection offered.

The following *example* is provided by NAGA, to ensure that all Clients and prospective Clients have a clear understanding relating to CFD Trading:

Company ABC is listed in the German Stock Exchange, you think the listed share ABC is undervalued and that its price will rise. The price quoted is 216.30 / 216.950. That means you may sell at €216.30 or buy at €216.950. The difference between the price you can sell and the price you can buy is called "the spread". You decide to buy 10 CFDs in the share ABC at the price of €216.950 per CFD. Leverage allows you to trade in positions larger than your own money. So, you do not actually pay €2,169.50 (€216.950 x 10). Taking into consideration the Margin Level of 20% (for Advanced Account level), the Initial Margin Requirement is calculated as below:

Price	€216.950
Volume	10
Margin Level	20%
Initial Margin Requirement	433.9 (ie, 216.950x10x20%)

The Profit you get on this initial requirement depends on the price at which you decide to close your position (that is, when you sell the CFD). In case your estimation that ABC was undervalued, and its price increased by 5%, i.e., from €216.950 to €227.80, you will gain the difference between the opening and closing price multiplied by the volume of the transaction. Namely the profit of the relevant trade is €108.5 i.e., [(227.80-216.95) x 10]. In case your estimation was incorrect, and the price of ABC decrease by 5%, i.e., from €216.950 to €206.10, you will lose the difference between the opening and closing price multiplied by the volume of the transaction, which will be €108.5 i.e., [(216.950-206.10) x 10]. The only cost paid to enter into such transaction is the

spread, which is €6.5 i.e., $[(216.950-216.30)*10]$. In addition to the spread, if any position is carried overnight, there is an overnight Swap Fee needs to be debited or credited to your account. Additional information on Swap Fees can be found on the Cost and Charges policy [here](#).

Important Note: *You should be aware of the possibility that other costs may exist that are not paid through or imposed by NAGA. It is your sole responsibility to bear these additional costs. Costs related to trading CFDs may outweigh the gross profits from a trade. CFD trading is risky and not suitable for everyone. If you choose to enter into a trading relationship with us, it is important that you remain aware of the risks involved, that you have adequate financial resources to bear such risks and that you monitor your positions carefully. If you are in any doubt about the risks involved, you should seek professional advice.*

6. Product Market Assessment

Following the implementation of the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017), the Company is required to identify its target market, NAGA shall provide its services to Clients which fall within its target market assessment.

7. Risk associated with Copy – Trading

NAGA is proud to provide its clientele with the ability to interact, follow and copy other traders by using information and/or social trading features provided and/or made available on its trading platform. However, NAGA notes that Copy Trading is associated with various risks that all clients and prospective clients shall read and consider prior to their engagement in Copy Trading. NAGA's Risk Disclosure and Warning Notice provides a general description of the risks associated with Copy Trading. **This document does not explain all the risks involved in Copy Trading or how such risks relate to each client's personal circumstances.** However additional information about risk associated with Copy trading you may can be found [here](#).

Copy Trading is an automated trading execution, whereby trades are opened and closed on the Client's account without their manual intervention. It is the Client's decision to Copy a specific trader or traders and/or follow a particular strategy. Prior to making such decisions, Clients must consider their entire financial situation including financial commitments and understand

that using Copy Trading is highly speculative and thus could sustain significant losses exceeding the amount used to copy a trader or traders.

Copy Trading is provided by NAGA solely for informational purposes and in this respect, NAGA does not provide any investment or financial advice. **If clients make investment decisions in reliance on information which is available on NAGA websites and platform or as a result of the use of the social trading features, the clients do so at their own risk and NAGA will not be liable for any losses that you may sustain.**

Clients should not make any investment decision without first conducting their own research. Clients are solely and exclusively responsible for determining whether any investment, or strategy, or any other product or service is appropriate or suitable for them based on their investment objectives and personal and financial situation.

A copied trader's positions (with respect to any of financial instruments offered by NAGA) shall be copied as followed:

- A fixed amount equal to the lower; or
- the proportional amounts of the copied trade.

Such positions maintain the same leverage, stop loss, and take profit, to the maximum extent possible. Trades below the minimum trade amount may not be opened. All such positions shall be modified and/or closed automatically when modified/closed by the master trader, for whatsoever reason, without providing any further notice and without any action on your part. Clients should be able and prepared to bear the loss of the entire investment they made in such a copied trade. Clients are fully responsible for any losses they may sustain because of the automatic execution of instructions generated as a result of utilizing the Copy Trading feature.

If Clients have placed additional orders in their account or have modified or cancelled an order generated by Copy Trading, they may achieve a materially different result than the user that they copied.

In addition, withdrawal from the copied trade may also generate a materially different result than the user that they copied as it may affect the copy trading proportion and free margin.

Any past performance of NAGA Users, statistics, and any other information with respect to NAGA Users appearing on our websites and applications are not indicative of future results and should

be considered as hypothetical as more fully described below. **It is important for Clients to understand that statistical information and historical performance are not a guarantee of future performance.** No representation or guarantee is being made by NAGA that any NAGA User will or is likely to achieve Profits or Losses in the future. When reviewing the Content, portfolio, financial performance information of another NAGA User, Clients should not assume that the NAGA User is unbiased, independent or qualified to provide financial information. NAGA does not guarantee any order including the placing of stop orders such as Stop Loss. Accordingly, regardless of the entry or closing designation, NAGA does not guarantee that the trade will be filled at the order price/stop loss percentage, and you may lose more than the original amount used to copy the trade.

Any past performance of NAGA Users, statistics, and any other information with respect to NAGA Users appearing on our websites and applications is not indicative of future results. The actual percentage of profits and losses experienced by NAGA Users will vary depending on many factors, including but not limited to starting account balances (deposits and withdrawals) and account settings.

Under no circumstances the information and/or the copy trading feature provided and/or made available on our website and or platform is intended to provide, or should be construed as providing, any investment, tax or other financial related advice of any kind. Upon engaging in orders based on content on the website and/or elect to copy specific traders, then such decisions and transactions and any consequences flowing therefrom, are the client's sole responsibility.

While individual NAGA Users and participants within the NAGA ecosystem may offer investment advice or opinions and/or affect a transaction which may be subsequently copied by other traders, opinions, or trades amount to nothing more than exchanges between NAGA Users, who may be anonymous. NAGA does not provide investment advice directly, indirectly, implicitly, or in any manner whatsoever by making such information and/or features available to each client. All Clients shall use any information gathered from the NAGA Platform and/or utilize the copy - trading only as a starting point of their own independent research and investment decision making.

8. Charges and Taxes

The Provision of Services by NAGA to its Clients is subject to fees, which are available in the Costs and Charges Policy [here](#). Before Clients enter into a trading relationship with NAGA, they should obtain details of all fees, commissions, charges for which the Clients will be liable. **It is the Client's responsibility to check for any changes in the charges.**

If any charges are not expressed in monetary terms (but, for example, as a percentage of contract value), the Client should ensure that he/she understands what such charges are likely to amount. NAGA may change its charges at any time. Any changes will be communicated to the Client in advance.

There is a risk that the Client's trades in any Financial Instruments may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. NAGA does not warrant that any tax and/or any other stamp duty will be payable. NAGA does not offer tax advice. NAGA is not responsible for any taxes and/or any other duty which may accrue in respect of his trades. It is noted that taxes are subject to change without notice. It is also noted that NAGA's prices in relation to CFD trading are set by NAGA and may be different from prices reported elsewhere. The NAGA's trading prices are the ones at which NAGA is willing to offer its services to its clients at the point of sale. As such, they may not directly correspond to real time market levels at the point in time at which the sale of CFD occurs.

9. Third Party Risk

NAGA may transfer the money received from the Client to a third party (e.g., an intermediate broker, a bank, a market, a settlement agent, a clearing house, an OTC counterparty located outside Cyprus or other Execution Venues) to hold or control in order to facilitate the Client's transactions or to affect a Transaction through or with that party or to satisfy the Client's obligation to provide collateral (e.g. initial margin requirement) in respect of a Transaction. NAGA has no responsibility for the insolvency, acts or omissions of any such third party to whom it will transfer money received from the Client.

The third party to whom the Company will transfer money may hold it in an omnibus account and it may not be possible to separate it from the Client's money, or the third party's money. In the event of the insolvency or withdrawal or winding-up proceedings or any other analogous

proceedings against the third party, may lead to the Client's positions being liquidated or closed against their wishes and/or the Client's orders may not be executed. In addition, NAGA may only have an unsecured claim against the third party on behalf of the Client, and the Client understands that he/she will be exposed to the risk that the money received by the Company from the third party is insufficient to satisfy the Client's claim(s). NAGA does not accept any liability or responsibility for any resulting losses.

10. Technical and Trading Platform Risk

The Client is warned that when trading in an electronic platform he assumes risk of financial loss which may be a consequence of amongst other things:

- Failure of Client's devices, software and poor quality of connection;
- Client's hardware or software failure, malfunction or misuse;
- Improper work of Client's equipment;
- Wrong setting of Client's Terminal;
- Delayed updates of Client's Terminal.

The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.

At times of excessive deal flow, the Client may have some difficulties to be connected over the phone or the NAGA's Platform(s)/system(s), especially in fast Market (for example, when key macroeconomic indicators are released).

The Clients acknowledge that the internet may be subject to events which may affect their access to NAGA's Website and/or trading Platform(s)/system(s), including but not limited to interruptions or transmission blackouts, software and hardware failure, internet disconnection, public electricity network failures or hacker attacks. NAGA is not responsible for any damages or losses resulting from such events which are beyond its control or for any other losses, costs, liabilities, or expenses (including, without limitation, loss of profit) which may result from the Client's inability to access its website and/or Trading System or delay or failure in sending orders or Transactions.

In connection with the use of computer equipment and data and voice communication

networks, the Client bears the following risks amongst other risks in which cases NAGA has no liability of any resulting loss:

- Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client;
- Physical damage (or destruction) of the communication channels used to link the Client and provider (communication operator), provider, and the trading or information server of the Client;
- Outage (unacceptably low quality) of communication via the channels used by the Client, or NAGA or the channels used by the provider, or communication operator (including voice communication) that are used by the Client or NAGA;
- Wrong or inconsistent requirement settings of the Client's Terminal;
- Untimely update of the Client's Terminal;
- When carrying out transactions via the telephone (land or cell phone lines) voice communication, the Client runs the risk of problematic dialling, when trying to reach NAGA due to communication quality issues and communication channel loads;
- The use of communication channels, hardware and software, generate the risk of non-reception of a message (including text messages) by the Client from NAGA;
- Malfunction or non-operability of the Platform, which also includes the Client's Terminal.

The Client acknowledges that the only reliable source of Quotes Flow information is that of the live Server's Quotes Base. Quotes Base in the Client's Terminal is not a reliable source of Quotes Flow information because the connection between the Client Terminal and the Server may be disrupted at some point and some of the Quotes simply may not reach the Client's Terminal.

The Client acknowledges that when he/she closes the order placing/ deleting window or the position opening/closing window, the instruction, which has been sent to the Server, shall not be cancelled. Orders may be executed once at a time while being in the queue. Multiple orders from the same Client Account at the same time may not be executed.

The Client acknowledges that when he/she closes the Order, it shall not be cancelled. In case the Client has not received the result of the execution of the previously sent Order but decides to repeat the Order, the Client shall accept the risk of making two Transactions instead of one.

The Client acknowledges that if the Pending Order has already been executed but the Client sends an instruction to modify its level, the only instruction, which will be executed, is the instruction to modify Stop Loss and/or Take Profit levels on the position opened when the Pending Order is triggered. NAGA does not bear any responsibility if unauthorized third persons access information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between NAGA and the Client or when using the internet or other network communication facilities, telephone, or any other electronic means.

11. Market Commentary

Generic market information provided by NAGA to its clients is not intended to be and is not investment advice or personal trading recommendations. Such information is not and should not be considered as an advice to buy or sell, or solicitation of an advice to buy or sell any CFD. NAGA is not acting as an advisor or serving as a fiduciary to its clients.

It is the clients' responsibility to manage their tax and legal affairs including making any regulatory filings and payments and complying with applicable laws and regulations. NAGA does not provide any regulatory, tax or legal advice. If the client is in any doubt as to the tax treatment or liabilities related to the CFDs offered, the client may wish to seek independent advice.

The market commentary provided by NAGA (which does not constitute a personal recommendation or investment advice) is generic and based solely on the judgment of NAGA's personnel. NAGA's clients acknowledge that they enter into transactions relying only on their own judgment. NAGA's generic market commentary is based on information believed to be reliable, but NAGA cannot and does not guarantee the accuracy or completeness thereof.

12. Insolvency and Investor Compensation Fund

NAGA's insolvency or default may lead to positions being liquidated or closed out without the Client's consent. NAGA participates in the Investor Compensation Fund for clients of Investment Firms regulated in the Republic of Cyprus. Certain clients will be entitled to compensation under the Investor Compensation Fund where NAGA is unable to meet its

obligations towards its clients due to its financial circumstances and when there is no realistic prospect of improvement in the above circumstances in the near future. To receive compensation, Clients will have to file a compensation claim to the Fund in a timely manner and get it approved by the Fund's Administrative Committee. In any case, the compensation shall not exceed twenty thousand Euro (EUR 20.000) per each entitled client or 90% of the claimed amount, whichever is lower. For more details, please refer to the "Investor Compensation Fund", [here](#).

13. Suspension of Trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a Stop Loss will not necessarily limit the Client's losses to the intended amounts, because market conditions may make it impossible to execute such an Order at the stipulated price. In addition, under certain market conditions, the execution of a Stop Loss Order may be worse than its stipulated price and the realized losses can be larger than expected.

14. Advice and Recommendations

When placing Orders with NAGA, NAGA will not advise its clients about the merits of a particular Transaction or give any form of investment advice and the Client acknowledges that the Services do not include the provision of investment advice in CFDs or the Underlying Markets. The Client alone will enter into Transactions and take the relevant decisions based on their own judgement. Clients represent that they are solely responsible for making their own independent appraisal and investigation into the risks of the Transaction. Clients represent that they have sufficient knowledge, market sophistication, professional advice, and experience to make their own evaluation of the merits and risks of any Transaction.

NAGA may, from time to time and at its discretion, provides the Client (or in newsletters which it may post on its website or provide to subscribers via its website or the Trading Platform or otherwise) with information, recommendations, news, market commentary or other information but not as a service. Where it does so:

- NAGA will not be responsible for such information;
- NAGA gives no representation, warranty or guarantee as to the accuracy, correctness or completeness of such information or as to the tax or legal consequences of any related Transaction;
- This information is provided solely to enable the Clients to make their own investment decisions and do not amount to investment advice or unsolicited financial recommendation;
- If the document contains a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, Clients agree that they will not pass it on to any such person or category of persons;
- Clients accept that prior to the despatch of any marketing material, NAGA may have acted upon itself to make use of the information on which it is based. NAGA does not make representations as to the time of receipt by the Clients and cannot guarantee that they will receive such information at the same time as other clients.

15. General Risk Warning for NAGA Instruments and Services

The Services and Financial Instruments may not be appropriate for you: Prior to entering into a business relationship with NAGA, NAGA is required to assess whether its product and services are appropriate and suitable for each Client. On the basis of information, the Client has provided, NAGA may assess that its products and services are not appropriate or suitable for them. NAGA is entitled to rely on the information provided by its clients during the onboarding procedure, unless it is under its attention that this information is not accurate, valid, and updated. If Clients are assessed that the services offered by NAGA are not appropriate for them and still decide to deal with NAGA, Clients are deemed to have confirmed that they understand the risks involved and accept them.

The historical movement of prices does not give a reliable indication of the movement of prices in the future. Past Performance of a financial instrument and user are not reliable indicators of future results.

Risk Relating to Market Liquidity: Upon engaging in CFD trading with NAGA, the orders will

not be executed on a recognized or designated investment exchange and will be executed OTC. All positions entered into with NAGA must be closed with NAGA and cannot be closed with any other entity. OTC transactions may involve greater risk than investing in on-exchange transactions because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an OTC transaction or to assess the exposure to risk. There is no central clearing and no guarantee by any other party of NAGA's payment obligations to the client, so you are exposed to credit risk with NAGA. Clients must look only to NAGA for the performance of all their transactions, their account, and for the return of any margin.

Risk associated with dramatically change of financial instrument price ("Gap Risk"):

Financial markets may fluctuate rapidly, and the prices of NAGA products will reflect this. Gapping occurs when the prices of a financial instrument suddenly shift from one level to another, without passing through the level in between. There may not always be an opportunity for you to place an order or for the platform to execute an order between the two price levels.

Risk relating to holding CFD positions: Being long in CFDs means that investors are buying the CFDs by speculating that the market price of the underlying will rise between the time of the purchase and sale. As owners of long positions, investors will generally make a profit if the market price of the underlying asset rises whilst long CFD position is open. Investors will suffer a loss, if the market price of the underlying asset falls whilst CFD long position is still open. Investors' loss will be the difference of the market price of the underlying asset at the time of purchase compared with the one at the time of the sale, multiplied by the amount of CFDs involved. Investors' potential loss may therefore be bigger than the initial margin required. Investors may also suffer a loss due to the closure of their position by NAGA, in case they do not have enough cash to maintain their position open.

Being short in CFDs means investors are selling the CFDs by speculating that the market price of the underlying asset will fall between the time of the purchase and sale. As the owner of a short position, investors will generally make a profit if the market price of the underlying asset falls whilst CFD position is open. Investor's will suffer a loss, if the market price of the underlying asset rises whilst CFD short position is still open. Investors' loss will be the difference of the market price of the underlying asset at the time of purchase compared with the one at the time of the sale, multiplied by the amount of CFDs. Investors' potential loss may therefore be bigger than the

initial margin required. Investors may also suffer a loss due to the closure of their position by the Company, in case they do not have enough cash to maintain their position open.

Risk Associated with High Leverage: High degree of “leverage” is a distinct feature of CFDs. The effect of leverage makes investing in CFDs riskier than investing directly in the underlying asset. This is a result of the margining system applicable to CFDs which generally involves a small deposit relative to the size of the transaction, so that a relatively small price movement in the underlying asset can have a disproportional impact on a CFD trade. A small price movement in Client’s favour can provide a high return, however, a small price movement against the client may quickly result in significant losses. If losses occur, Clients may be required to pay additional funds on short notice to maintain their position open. If Clients fail to comply with a request for additional funds, their position may be liquidated.

Stop Loss Order cannot always protect from losses: NAGA offers to its clients the opportunity to choose Stop Loss Orders to limit the potential losses they can incur from an open position. This option automatically closes open positions when they reach the price set by the Client. NAGA does not guarantee that a Stop Loss Order will be filled at the price specified.

Margin Requirement: Clients must always maintain a minimum margin on their open positions. It is the Clients’ responsibility to monitor their account balance. Clients may receive a margin call to deposit additional cash if the margin in their account is too low. Clients may need to provide NAGA with additional funds to meet their margin requirement on short notice to maintain their positions open. Failure to do so, may result in positions being liquidated.

Only cash settlement is available: Clients understand that their positions can only be settled in cash and the difference between the buying and selling price partly determines the result of the investment.

Failure to monitor positions entails risks: Client shall be aware that it is important that they monitor all of their positions closely. It is the Client’s responsibility to monitor their positions and during the period that they have any open positions they should always have the ability to access their account.

Valuation Risk: Prices, margins and valuations set by NAGA may differ from those provided elsewhere. NAGA will provide the prices to be used in trading, the valuation of Client’s positions and the determination of margin requirements. The performance of Clients’ trading Accounts

given CFD will depend on the prices set by NAGA and the market fluctuations in the underlying asset to which their CFD relates. Each underlying asset therefore carries specific risks that affect the result of the CFD concerned.

Risk Relating to the rights of the Underlying: Clients have no rights or obligations in respect of the underlying instruments or assets relating to CFDs. Clients should understand that CFDs can have different underlying assets, including, equity, indices, and commodities.

CFDs are not suited for long term investors. Holding an open CFD position for a long period leads to an increase in the associated costs. It may be more beneficial for Clients to buy the underlying asset instead.

Foreign Exchange Risk: A trading account with NAGA will be held in a currency which may be different from the currency the Client used to deposit, accordingly Clients should be aware of the relevant currency fluctuations.

There is no guarantee of profits: There are no guarantees of profit nor of avoiding losses when trading with NAGA. Neither NAGA intends to provide, nor can actually provide such guarantees. The Clients have been alerted by means of this document that risks are inherent to trading and that they must be financially able to bear such risks and withstand any losses incurred.

Slippage: Slippage refers to the difference between the expected price of a Transaction, and the price the Transaction is actually executed at. Slippage often occurs during periods of higher volatility (for example due to news events), making an Order at a specific price impossible to execute, when market orders are used, and also when large Orders are executed when there may not be enough liquidity at the desired price level to maintain the expected price of trade.

Price Errors: Should a price quoting error occur (including responses to relevant client requests), NAGA is not liable for any resulting errors in account balances and reserves the right to make the necessary corrections or adjustments to the relevant account. Any dispute arising from such price quoting errors will be resolved on the basis of the fair market value, as determined by NAGA in its sole discretion and acting in good faith, of the relevant market at the time that such an error occurred. In cases where the prevailing market represents prices different from the prices NAGA has posted on its platform, NAGA will attempt, on a best- efforts basis, to execute orders on or close to the prevailing market prices. This may or may not adversely affect the client's realized and unrealized gains and losses.

Volatility: Several Financial Instruments trade within wide intraday ranges with volatile price movements. Therefore, Clients must carefully consider that there is a high risk of losses as well as profits. The prices of Financial Instruments and the Underlying Asset may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or NAGA. Under certain market conditions it may be impossible for a Client's order to be executed at declared prices leading to losses. The prices of the Financial Instruments and the Underlying Assets will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and prevailing psychological characteristics.

In addition, due to market conditions which may cause any unusual and rapid market price fluctuations, or other circumstances, NAGA may be unable to close out Clients' position at the price specified by them and the risk controls imposed by NAGA might not work and Clients agree that NAGA will bear no liability for a failure to do so.

16. Additional information

For further information, please refer to the 'Guide to Investing' issued by the European Securities and Markets Authority ('ESMA') [here](#), the 'Investor Warning on Contracts for difference (CFDs)' issued jointly by ESMA and the European Banking Authority ('EBA') [here](#) and the 'Investor Warning on the risks of investing in Complex products' issued by ESMA, [here](#).

17. Revision

NAGA has the right to amend the current document as per its discretion and at any time it considers it is suitable and appropriate. In such an event NAGA will notify the Clients accordingly. NAGA shall review and amend the current policy at least on an annual basis. This document is available for review by Clients upon request and it is uploaded to the Company's website.

By entering into the Client Agreement, Clients declare that they understand the risks related to trading CFDs, that they are willing and able, financially, and otherwise, to assume these risks and that the loss of their entire account balance will not be detrimental to their lifestyle.