



RISK DISCLOSURE NOTICE

About Us

Anax Capital Financial Markets LLC (hereinafter referred to as "the Company" or "Anax Capital") is authorized and regulated by the Securities and Commodities Authority ("SCA") under license number 20200000258. The registered office of the Company is located at Aspin Towers, 47th Floor, Office 4702, Sheik Zaye Road, Dubai, UAE.

Anax Capital Financial Markets LLC

Forex and Contracts for Difference (CFDs) are complex financial instruments that carry a high level of risk and may not be appropriate for all investors. Trading on margin amplifies both potential gains and losses, meaning you could lose more than your initial deposit. It is crucial that you fully understand the risks associated with these products and consider seeking independent financial or legal advice before proceeding. We strongly recommend that you carefully review this risk disclosure notice in its entirety before opening a trading account with **Anax Capital**. This notice should be read in conjunction with our **Terms & Conditions, Order Execution Policy, Conflicts of Interest Policy**, and other legal documents available on our website.

Understanding Contracts for Difference (CFDs)

CFDs, or Contracts for Difference, are financial instruments that allow traders to speculate on the price movements of underlying assets without owning the assets themselves. These contracts are settled in cash, meaning profits or losses are determined by the difference between the opening and closing prices of the trade.

CFD trading involves significant risk due to the use of leverage (also referred to as "gearing"). Leverage allows you to control a larger position with a relatively small amount of capital, which can amplify both potential profits and losses. Even a minor market movement can result in a substantial change in the value of your investment, either positively or negatively.

It is important to note that you may be required to deposit additional funds at short notice to maintain your positions. In some cases, losses can exceed your initial investment, meaning you could lose more than the amount you initially deposited into your account.

No Advisory Services Provided

Anax Capital operates as an execution-only service provider. This means we do not offer investment advice, legal opinions, regulatory guidance, tax consultation, or any other form of advisory services. While we may provide clients with general market information, details about transaction processes, and strategies to manage risk, all decisions related to the use of our services or the trading of specific products are solely your responsibility.

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We strongly encourage you to consult with an independent financial or legal professional before engaging in any transactions with us. This will help ensure that you fully understand the risks and are making informed decisions based on your financial situation and risk tolerance.

Client Responsibilities and Risk Acknowledgment

At Anax Capital, we emphasize that clients bear full responsibility for assessing their financial resources, risk tolerance, and overall understanding of the risks associated with trading. We do not evaluate whether the products or services we offer are suitable for you based on your level of experience, knowledge, or comprehension of the potential risks. Additionally, we do not monitor the funds you deposit, track your trading profits or losses, or provide financial advice regarding your trading decisions.

It is entirely your duty to determine whether your financial situation is sufficient to support your trading activities and whether they align with your individual risk appetite. Before engaging in any trading, you must carefully consider whether the financial products and services offered by Anax Capital are appropriate for you. This includes conducting thorough research, understanding market risks, and ensuring that your financial capacity can withstand potential losses.

The decision to open an account and trade using our platform is solely yours, and by doing so, you acknowledge and accept full responsibility for the risks involved. Anax Capital strongly encourages clients to seek independent financial or professional advice if they are unsure about their trading decisions. Ensuring that you fully understand the nature of the financial instruments you are dealing with is essential to making informed and responsible trading choices.

Client Responsibility for Margin and Position Management

It is your sole responsibility to actively monitor your trading positions and ensure uninterrupted access to your account. Anax Capital is not obligated to notify you of any failure to meet Margin requirements before taking action under the Terms. Any position that leads to insufficient Margin to cover actual or anticipated losses or liabilities will be considered an Event of Default. Margin requirements are subject to change at our sole discretion without prior notice, and adjustments may be made based on realized or unrealized losses, including modifications to the initially set Margin rates. An increase in Margin requirements could limit your ability to open new positions or hedge existing ones if your available Equity is insufficient. In such cases, you may need to deposit additional funds in advance, failing which your positions may be liquidated.

Reliability and Risks of Electronic Communication

Anax Capital provides electronic communication channels such as email and live chat, where available and applicable, to facilitate client interactions. While these methods are generally reliable, technical issues may arise, and they should not be solely relied upon for critical

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communication. If you choose to trade with us electronically, you acknowledge the inherent risks, including potential failures, delays, security vulnerabilities, or messages not reaching their intended destination. We recommend maintaining alternative communication methods and referring to the section on Electronic Trading Services for further details on electronic transaction risks.

Financial and Business Risk Disclosure

You may face financial and business risks, as there is a possibility, though unlikely, that the company could experience a financial default, preventing it from fulfilling its financial obligations. Additionally, the insolvency or default of any brokers involved in your transaction could result in Positions being liquidated or closed without your knowledge or consent.

Execution-Only Services and Risks of Trading CFDs

Anax Capital provides execution-only services for Contracts for Difference (CFDs) across various Underlying Markets. While the pricing of these products is derived from the Underlying Market, the characteristics of our CFD offerings may differ significantly from those of the actual market or financial instruments they represent. As such, clients should be aware of the specific nature and risks associated with trading CFDs.

CFDs are margin-traded products, meaning they allow traders to take large positions with a relatively small initial margin deposit. While leverage can amplify potential gains, it also significantly increases the risk of substantial losses, as even minor price movements can have a magnified impact on the value of a position. Additionally, CFD transactions are settled based on the difference between the opening and closing prices of a trade, and settlements may occur in a currency different from your base currency, exposing you to foreign exchange risks that could further influence your profits or losses.

Derivative instruments, including CFDs, are not suitable for all investors, and you should not engage in trading unless you fully understand the risks involved. It is your responsibility to ensure that you have adequate financial resources to meet margin obligations and potential losses, even in the event of unfavorable market movements. By choosing to trade CFDs with Anax Capital, you acknowledge and accept these risks and must ensure that you have the financial capacity to sustain any potential liabilities arising from trading activities.

Execution Model and Counterparty Role

Anax Capital Financial Markets LLC may execute client transactions on a matched principal or proprietary basis, meaning the firm may act as the counterparty to client trades. In such cases, clients transact directly with Anax Capital rather than through an external execution venue or liquidity provider. This execution model allows the firm to manage its risk and pricing internally while maintaining its execution-only and non-advisory role.

As counterparty, Anax Capital assumes the market risk of the trade and may generate revenue

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from the client's trading activity. Clients should be aware that this introduces a potential conflict of interest, which is mitigated through internal governance, best execution policies, and compliance with applicable SCA regulations. The firm is committed to executing trades fairly and transparently, ensuring that clients are not disadvantaged as a result of internal execution practices.

Off-Exchange (OTC) Trading and Its Risks

Trading with Anax Capital occurs off-exchange, also known as over-the-counter (OTC) trading, where you deal directly with us as the counterparty to all your transactions. Unlike exchange-traded derivatives, OTC products may carry additional risks, as their liquidity and pricing can vary significantly. While some off-exchange markets are highly liquid, others may be less so, increasing the risk compared to investing in on-exchange derivatives.

During abnormal market conditions, as outlined in the Terms, it may become difficult or even impossible to liquidate an open position, determine the market value of an off-exchange transaction, or accurately assess your exposure to risk. This lack of transparency and market depth may impact your ability to manage positions effectively, particularly during periods of high volatility or market disruptions. By engaging in OTC trading with Anax Capital, you acknowledge these risks and should ensure that you fully understand the implications before entering into such transactions.

In executing trades on a proprietary basis, Anax Capital may determine pricing based on internal models, market data feeds, and prevailing liquidity conditions. Prices quoted may not exactly match those available in the underlying markets, and may differ due to risk, cost, or spread management practices.

Market Volatility, Margin Risk, and Currency Fluctuations

Trading involves inherent risks due to market volatility, which can cause prices to fluctuate rapidly, both during and outside normal business hours. Such price movements may lead to sudden and significant changes in your Account Balance. If your account lacks sufficient Equity to cover margin requirements during volatile conditions, your positions may be automatically liquidated if the Balance falls below the required Margin Level.

Additionally, trading in a currency other than your base currency exposes you to exchange rate fluctuations, which can impact your overall profits and losses. Since all margin, profit, loss, and financing costs related to such trades are calculated in the currency of the respective market, changes in exchange rates can further influence the final financial outcome of your positions. As a result, traders should remain aware of both market volatility and currency risks when managing their trading activities.

Impact of Corporate Actions on Trading Positions

Corporate events such as rights issues, takeovers, mergers, share distributions, consolidations,

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and open offers can significantly impact financial instruments. While Anax Capital does not derive profit from these events, our objective is to reflect the treatment we receive or would receive if we were hedging our exposure in the **Underlying Market**. However, as you are not directly dealing in the actual market, your trading Positions may experience different outcomes compared to those who own the underlying asset.

The treatment you receive may be less advantageous than if you were an actual shareholder, as trading derivatives does not grant ownership rights over the asset. Additionally, corporate actions often require shareholders to make decisions, such as whether to participate in an event or accept an offer. Since trading through Anax Capital is executed via derivative contracts rather than direct ownership, you may be required to make such decisions earlier than if you held the asset directly. Furthermore, the options available to you in response to corporate actions may be more limited and potentially less favorable than those offered to shareholders in the actual market.

If you have an open **Position with a stop-loss** on a product affected by a corporate event, Anax Capital will aim to preserve the **economic equivalent** of your rights and obligations as they existed before the event, to the fullest extent possible. However, market conditions, liquidity constraints, and the nature of the corporate action itself may influence how adjustments are applied. These adjustments could impact your trade execution, pricing, and margin requirements.

Given the potential complexities and variations in corporate event handling, traders should remain informed about upcoming corporate actions that could affect their positions. It is essential to understand that while Anax Capital endeavors to replicate market outcomes, trading derivatives does not always offer the same level of control or benefits as direct ownership of the underlying asset.

Pricing Variations and Margin Adjustments

The prices quoted for trading may not always correspond precisely to those available in the broader interbank market. At Anax Capital, we aggregate pricing to establish Margin requirements and periodically mark-to-market the Positions in your Account. While we strive to ensure that our quoted prices generally align with those in the interbank market, discrepancies may arise due to variations in liquidity, market conditions, and execution methodologies. Consequently, the prices we provide may differ from those accessible to banks and other institutional market participants.

Given these potential differences, Anax Capital retains the right to exercise discretion in determining and adjusting Margin requirements. This means we may modify Margin levels based on prevailing market conditions, fluctuations in liquidity, or other risk factors deemed relevant to maintaining the integrity of your trading positions. Clients should be aware that such adjustments can impact their trading obligations and the funds required to sustain open positions, particularly during periods of heightened market volatility. In internalized

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transactions, pricing may be determined by Anax Capital's proprietary pricing engine, which considers market volatility, execution risk, and internal hedging strategies.

Order Size, Liquidity, and Spread Adjustments

Placing larger Orders may affect the likelihood of executing at the quoted price for a Product. It is important to note that for each Product, **Anax Capital** provides a minimum and maximum trade size. The size of each Position and the price at which you can trade depend on market conditions and the risk management procedures set by **Anax Capital**, **Anax Capital** reserves the right to reject large Orders that could expose the firm or client to significant risk.

To maintain additional liquidity in the market, we may apply a different spread to the price of a particular Product. Some markets quoted by us may be outside of normal market hours, referred to as "grey markets." In these cases, while we strive to keep prices and spreads consistent, this may not always be feasible during periods of high volatility or illiquidity in corresponding markets.

Impact of Market Volatility on Trading Suspensions

This may occur, for instance, during periods of rapid price movements, where the price rises or falls significantly within a single trading session, leading to a suspension or restriction of trading under the rules of the relevant exchange.

Risk of Gapping in Market Prices

Gapping refers to a sudden shift in the price of an Underlying Market from one level to another, with no prices in between. This can be triggered by various factors, such as economic events or market announcements. Gapping can occur both when the Underlying Market is open and when it is closed. If such events happen while the Underlying Market is closed, the price when it reopens (and thus our derived price) may differ significantly from the closing price, and there may be no opportunity to exit your Positions before the market reopens.

Margin Requirements and Leverage Risks

Before you can place an Order with us, you will generally be required to deposit money, known as Margin. The Margin required for an Order is typically a relatively small percentage of the total Order value. This means you will be using leverage or gearing, which can work both in your favour and against you. A small price movement in your favour can lead to a significant return on the Margin used for the Position, but a small price movement against you can result in substantial losses.

At all times while you have open Positions, you must ensure that the Balance in your Account, including all running profit and loss, meets at least the total Margin required for your Positions. If the price of a Position moves against you, you may need to provide us with additional funds

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immediately to meet your Margin requirement and maintain your open Positions. If you fail to do so, we have the right to close one, more, or all of your open Positions, and you will be responsible for any resulting losses. Given the effect of gearing, it is crucial to closely monitor your Positions. Gearing amplifies both potential profits and losses, making it especially important to stay vigilant with your Positions.

Margin Requirements, Margin Calls, and Forced Liquidation

As a client of Anax Capital Financial Markets LLC, you are required to maintain sufficient Equity in your trading account to meet the Margin obligations for all open positions. If your Margin Level falls below 100% of the required Margin, your account will enter a Margin Call status. You must take immediate corrective action, including:

- (a) depositing additional funds to restore required Margin
- (b) closing one or more open positions, or
- (c) a combination of both.

If your Margin Level continues to deteriorate and reaches or falls below the liquidation threshold of 50%, Anax Capital reserves the right to initiate forced liquidation of open positions, either fully or partially, without prior notice and without any obligation or liability for any direct or indirect losses incurred during this process. The purpose of forced liquidation is to limit further risk exposure, but it does not guarantee that your losses will be limited to your initial investment.

While Anax Capital may attempt to notify clients of Margin Calls via email, phone, or the trading platform, the firm is not obligated to do so. Clients are solely responsible for monitoring their account, maintaining adequate Margin, and managing open positions. Only Free Margin—defined as funds not allocated to margin requirements—may be withdrawn. Margin-related data, including current Equity, required Margin, and account status, is available in real time via the trading platform and must be reviewed regularly to ensure compliance.

Limit and Stop Orders: Execution Risks and Non-Guaranteed Stop-Losses

Limit and stop orders are trading tools designed to help manage market entry and exit points. A **limit order** allows you to open a position when the market reaches a specified price or better, but until the price is met, the order remains unfilled. A **stop order**, on the other hand, is used to automatically close an open position when the market reaches a specified price or worse, helping to mitigate potential losses. While these order types can be useful in volatile markets, they do not guarantee execution at the requested price, as order fulfillment depends on market liquidity, especially during price gaps or rapid movements.

When using a **non-guaranteed stop-loss order**, triggering the stop-loss sends an instruction to Anax Capital to close the position. However, execution may not be immediate, as the actual closing price depends on market conditions at the time. In fast-moving markets, a suitable price

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may not be immediately available, or the market may move significantly beyond the stop-loss level before execution occurs. This means that the final closing price may be worse than the initially set stop-loss level. It is important to note that Anax Capital only offers non-guaranteed stop-loss orders, meaning execution at the exact stop-loss level cannot be assured in all market conditions.

Quoted Prices vs. Execution Prices: Market Variations

Prices displayed on the platform or website are **indicative only** and may not always match the final execution price. Due to continuous market fluctuations, the price at which your order is executed can differ from the quoted price, even within fractions of a second. While differences are usually minimal under normal conditions, factors such as market volatility, liquidity, and rapid price movements can lead to greater variations, commonly known as **slippage**.

This is particularly common during high-volatility periods, such as major economic announcements or sudden market shifts. While Anax Capital aims to provide competitive pricing and fast execution, external market conditions may impact final trade prices. Understanding these variations is essential for managing trading risks effectively.

Margin Trading and Potential Liability Risks

Margin-based trading requires you to make a series of payments toward the total investment cost rather than paying the full amount upfront. If you trade futures CFDs, you risk losing the entire margin deposited, and if the market moves against you, you may be required to provide substantial additional margin on short notice to maintain your position. Failure to meet this requirement within the specified timeframe may result in the liquidation of your position at a loss, and you will be responsible for covering any resulting deficit.

Even for products that are not margin-based, there may still be circumstances where additional payments are required beyond the amount initially paid when placing the order. It is essential to fully understand these financial obligations and risks before engaging in margin trading, as losses can exceed your initial investment.

Market Availability and Holiday-Related Trading Risks

Trading hours vary across different products, as not all markets operate 24/7. Specific opening and closing times depend on market schedules and may change due to national holidays, daylight savings adjustments, or unforeseen suspensions. While trading hours for each product are available on our platform and upcoming holiday schedules are posted on our website, we do not guarantee the accuracy or timeliness of these updates.

During market closures or suspensions, trading may be restricted or entirely unavailable, limiting the ability to open or close positions. To mitigate potential risks, traders should stay informed about schedule changes and plan accordingly.

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Market Suspensions and Trading Limitations

In certain situations, a market may be temporarily suspended, preventing the execution of new trades or modifications to existing positions. These suspensions can occur due to regulatory interventions, extreme market volatility, liquidity shortages, or unforeseen global events. During such periods, affected products may become unavailable for trading, and orders—whether pending or active—may not be executed as expected.

Additionally, trading restrictions may be imposed by market authorities, exchanges, or liquidity providers, affecting order execution, pricing, and trade settlement. These limitations could lead to delays, price discrepancies, or the inability to exit a position at a preferred price. Traders should be aware of these risks and consider implementing risk management strategies to navigate periods of market suspension effectively.

Risks Associated with Electronic Trading Services

Engaging in trading through an **Electronic Trading Service** and online communication networks comes with inherent risks related to system performance and reliability. Technical failures such as hardware malfunctions, software glitches, network downtime, or connection issues may impact your ability to execute trades, modify orders, or access your account. These disruptions can occur unexpectedly and may result in delayed order execution, missed trading opportunities, or unintended losses. Traders should be prepared for such risks and consider implementing backup strategies, such as alternative trading methods or ensuring stable internet connectivity, to mitigate potential disruptions.

Liabilities and Risks of Using Third-Party Software

When using third-party software or applications in conjunction with the **Electronic Trading Service**, you acknowledge that you are solely responsible for their installation, operation, and any impact they may have on your trading activities. These external programs, including algorithmic trading systems, signal providers, expert advisors, and automation tools, are developed independently from Anax Capital, and their performance, security, and reliability cannot be guaranteed. Before integrating any third-party software into your trading account, it is essential to conduct thorough due diligence to understand the potential risks and decide whether you are willing to accept them.

Anax Capital assumes no liability for any decisions, trade executions, or signals generated by such third-party applications. You bear full responsibility for any financial gains or losses incurred as a result of using external software. Some applications may execute a high volume of trades within a short period or automatically increase leverage based on market conditions, potentially exposing your account to heightened risk. In certain cases, this could lead to rapid depletion of available funds or even margin calls, requiring immediate action to prevent forced liquidation of positions.

Additionally, third-party software may introduce operational risks, including system

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malfunctions, compatibility issues, or connectivity disruptions, which could impact trade execution and account management. Unauthorized or poorly coded applications could also pose security threats, such as data breaches or unauthorized access to your trading account. As all trading activity and resulting profits or losses are reflected directly in your account, you are solely responsible for monitoring and managing these risks.

To mitigate potential negative consequences, traders should carefully evaluate the credibility of third-party software providers, test applications in a controlled environment, and implement risk management strategies. Relying on external tools without active oversight can result in unforeseen losses, making it essential to remain vigilant and exercise caution when incorporating third-party technology into your trading strategy.

Futures Expiry Risk

The expiry of index futures contracts can significantly impact the pricing and liquidity of index spot contracts. As futures contracts approach their expiration dates, traders often adjust their positions, which can lead to increased volatility and price fluctuations in the spot market. The closing or settlement of futures contracts may create imbalances in supply and demand, causing rapid price changes in the spot market. Additionally, the expiration of futures contracts may result in the automatic closure or liquidation of related spot positions if they are tied to futures contracts as part of hedging strategies. Traders should carefully monitor futures expiration dates and understand their potential impact on spot contracts, ensuring they have appropriate risk management measures in place to mitigate adverse effects.

Version 2.