

APM Capital Limited

1009, 10, Al Khatem Tower, ADGM Square,
Al Maryah Island, Abu Dhabi, United Arab Emirates

APM Capital 

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APM Capital

APM Capital Limited Risk Disclosure Policy

Introduction

This disclosure is a necessary addition to the General Client Agreement, Terms and Conditions (“GTC”) with APM Capital Limited (“APM” or “the Firm”) and should be acknowledged and electronically confirmed by the Client (“You” or “your”).

This disclosure is not intended to include all risks associated with the products provided to you by the Firm. The products and services provided to you by APM are detailed in the GTC.

APM Capital provides access to a wide range of investment services and products through different accounts:

- Contracts for difference (‘CFDs’) are provided through a CFD Account; and
- Direct Market Access (‘DMA’) to the world’s global derivatives markets are provided through a DMA Account,

(each an ‘Account’ and together, the ‘Accounts’).

All financial instruments involve an element of risk. The value of your investment may fall as well as rise and you may get back less than your initial investment.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. You should consider whether you understand how CFDs work, and whether you can afford to take the high risk of losing your money.

To find out the risks which are relevant to the account you have chosen, please see the relevant sections below:

Section 1: CFDs

Section 2: DMA trading services

Section 3: General Risks (applicable to all accounts)

This notice provides a general description of the risks of the products that you can trade in through your APM Accounts, and the services provided by APM Capital. This notice does not explain all of the risks involved in investment products or how such risks relate to your personal circumstances.

It is important that you fully understand the risks involved before making a decision to enter into a CFD (each a ‘Contract’) with us, or to buy or sell an instrument using our DMA trading services (each a ‘Transaction’). If you are in any doubt about the risks involved with your Account, you should seek professional advice.

If you choose to enter into a Contract with us or instruct us to conduct a Transaction on your behalf, 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.

Please note that the majority of retail investors lose money when trading CFDs

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Section 1: CFDs (Retail Clients)

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. You should consider whether you understand how CFDs work, and whether you can afford to take the high risk of losing your money. This notice provides you with information about the risks associated with investment products, which you may invest in through services provided to you by APM Capital.

CFDs are a type of transaction the purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of an underlying instrument. Types of CFDs include but are not limited to, Foreign Exchange CFDs, Futures CFDs, Share CFDs and Stock Index CFDs. CFDs can only be settled in cash. CFDs are high risk financial products, which are not appropriate for many members of the public, it is important that you fully understand that it is your responsibility to remain aware of the risks involved; that you have adequate financial resources to deal with them and that you monitor your positions closely.

This notice, prepared by APM Capital, provides you with information about the risks, but cannot explain them all nor how they relate to your personal circumstances. If you are in any doubt, you should seek professional or legal advice before opening an account. If you are not sure that you understand a particular product, instrument, service or transaction, you should also first seek appropriate professional advice before entering into the product, instrument, service or transaction.

APPROPRIATENESS

Before we enable you to trade on a CFD, we are required to make an assessment of whether the product(s) and/ or services you have chosen are appropriate for you (i.e. whether we reasonably believe that you have the adequate skills and expertise to understand the risks involved in a Contract and your ability to absorb potential losses resulting from such Contracts, and to warn you if, on the basis of the information you provide to us, any product or service is not appropriate. Any decision to open an account and to use our products or services is yours. It is your responsibility to understand the risks involved with our products or services. During our application process, we will ask you for any information we may deem relevant to carry out our appropriateness assessment. We do not monitor on your behalf whether the amount of money you have sent to us, or your profits or losses are consistent with that information. It is up to you to assess whether your financial resources are adequate for your financial activity with us and your risk appetite in the products and services you use.

GEARING AND LEVERAGE

Before you are allowed to enter into a Contract with us, you will generally be required to deposit money with us – this is called the margin requirement. This margin requirement will usually be a proportion of the overall Contract value, 10% of the Contract for example. This means that you will be using ‘leverage’ or ‘gearing’ and this can work for or against you; a small price movement in your favour can result in a high return on the margin requirement placed for the Contract, but a small movement against you may result in substantial losses.

At all times which you have open positions, you must ensure that your account balance, taking account of running profits and losses, is equal to at least the total margin requirement that we require you to have deposited with us. Therefore, if our price moves against you, you may need to provide us with significant additional funds immediately to meet your margin requirement and maintain your open positions (known as a ‘Margin Call’). If you do not do this, we will be entitled to close one or more or all your positions, as per our GTC. You will be responsible for any losses incurred as a result.

APM may from time to time, as per the GTC, be entitled to increase our margin requirements at short notice. If the Firm does so, you may be required to deposit additional funds into your account to cover the increased margin requirements. If you fail to do this, APM is entitled to close one or more of your positions.

OVER-THE-COUNTER (OTC) NATURE OF PRODUCTS

Our CFDs are not listed on any exchange. The prices and other conditions are set by us in accordance with our obligation to provide best execution as set out in our Order Execution Policy, to act reasonably and in accordance with the applicable Client Agreement. Each CFD you open with results in a Contract with us and can be closed only with us, subject to our Client Agreement. No Contract provides any right to the underlying instruments or voting rights.

All Contracts you enter into with us are legally enforceable by both parties.

RANGE OF MARKETS

We provide services across a wide range of underlying markets. Although the prices at which you open Contracts are derived from the underlying instrument or market, it is important that you understand the risks associated with trading in the relevant underlying market because fluctuations in the price of the underlying market will affect your instruments and the profitability of your trades. CFDs are financial products that allow you speculate on price movements in underlying markets and although the prices at which you trade these products are set by us, our prices are derived from the underlying markets. The characteristics of our Contracts can vary substantially from the actual underlying market or instrument and you should fully understand these before you trade. Full details of all of our Contracts are set out in the Product Details section on our website, including; underlying instrument, contract size, margin rates, last dealing time, settlement procedures, rollover procedures, commissions and currency. Relevant characteristics include, but are not limited to:

- **Volatility:** Movements in the price of underlying markets can be volatile. This will have a direct impact on your profits and losses. Knowing the volatility of an underlying market will help guide you as to where any Stops should be placed. It should be noted that volatility can be unexpected and unpredictable.
- **Gapping** is a sudden shift in the price of an underlying market from one level to another. Various factors can lead to gapping (for example, economic events or market announcements) and gapping can occur both when the underlying market is open and when it is closed. When these factors occur when the underlying market is closed, the price of the underlying market when it reopens (and therefore, our derived price) can be markedly different from the closing price, with no opportunity to sell your instruments before the market opens.
- **Out of Hours Markets:** during the out-of-hours sessions on index markets, our quotations reflect our own view of the prospects for a market. This could include referring to price movements in other relevant markets which are open. Furthermore, business done by other clients may itself affect our quotations. There may be nothing against which to directly measure our quotation at these times.
- **Past Performance:** Past performance is not an indication of future performance. The value of investments can go down as well as up.
- **Currency:** If you trade in a market denominated in a currency other than your base currency, currency exchange fluctuations will impact your profits and losses.

MARKET LIQUIDITY

In setting our prices, spreads and the sizes in which we will deal, we take account of the market or markets for the relevant underlying instruments. Market conditions can change significantly in a very short period of time, so that if you wish to sell an instrument or close a Contract we might not be able to do so under the same terms as when you purchased or opened it. 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.

STOP LOSS ORDERS

When you place a Stop Loss Order for one of your open positions and it is triggered, it has the effect of issuing an order by you to close that position. It is therefore not closed immediately when the stop is triggered. We aim to deal with such orders fairly and promptly, but the time taken to fill the order and level at which the order is filled depends upon the underlying market and the number of client orders triggered.

In fast-moving markets, a price for the level of your order might not be available, or the market might move quickly and significantly away from the stop level before we are able to fill it. Stop losses are not guaranteed and you will remain liable for all losses.

TAX TREATMENT

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

NO ADVICE

We do not monitor positions on your behalf and we are not permitted to and do not provide investment advice relating to investments or possible transactions in investments. We are permitted to provide factual market information and information about transaction procedures, potential risks involved and how those risks may be minimized, but the ultimate decision is made by you.

Our services are provided on an execution only basis. We do not provide investment advice in relation to CFDs. We sometimes provide factual information or research recommendations about a market, information about transaction procedures and information about the potential risks involved and how those risks may be minimised. However, any decision to use our products or services is made by you.

You are responsible for managing your tax and legal affairs including making any regulatory filings and payments and complying with applicable laws and regulations. We do not provide any regulatory, tax or legal advice. If you are in any doubt as to the tax treatment or liabilities of investment products available through your CFD Account, you should seek independent advice.

CORPORATE EVENTS

We do not aim to make a profit from our clients from the outcome of corporate actions such as rights issues, takeovers and mergers, share distributions or consolidations, and open offers. We aim to reflect the treatment we receive, or would receive if we were hedging our exposure to you. Ultimately, however, you are not trading in the underlying market and therefore in relation to our Contracts:

- the treatment you receive may be less advantageous than if you owned the underlying instrument;
- the options we make available to you might be more restricted and less advantageous than if you owned the underlying instrument; and/or
- where you have a stop attached to your open share position, the treatment that you will receive from us will always, to the greatest extent possible, aim to preserve the economic equivalent of the rights and obligations attached to your Contract with us immediately prior to the corporate event taking place.

CONFLICTS OF INTEREST

APM Capital recognises that its activities may create conflicts and has comprehensive policies and procedures in place in order to prevent or manage them. The below list of conflicts is not exhaustive and other conflicts may arise in the course of your dealings with APM Capital:

- APM Capital effects transactions for clients in different directions so the interests of APM Capital's clients may be opposed.
- APM Capital also sets margin requirements for clients and stop processes and can have the right unilaterally to close out client positions.

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- APM acts as a counterparty to all your OTC trading activities therefore APM may make profit on your trading activities in addition to fees and commissions it may charge you. APM takes all reasonable steps to ensure that it offers its clients the best prices available to it.
- APM Capital may pay or accept to/from third parties: benefits, commissions or remunerations which are paid or received as a result of transactions conducted by a client.
- Our staff may receive small gifts and minor hospitality from other parties with which we do business but only in accordance with internal policies and only where it will not impair our duty to act in the best interests of our clients or other legal or regulatory obligations. Staff are not prohibited from dealing on their own account. Staff remuneration may depend on volumes of business.

We maintain procedures to manage actual or potential conflicts. This includes procedures to maintain appropriate independence between members of our staff who are involved in different activities, for example, through the operation of information barriers, physical separation of staff, the segregation of duties and responsibilities and maintenance of a policy of independence which requires our staff, when providing services to a client, to act in the best interests of the client and to disregard any conflicts of interest; and, in some circumstances declining to act for a client or potential client.

All product specifications, including Spreads and Margins are Available on the APM website and in the trading platform(s) available to clients. The spreads quoted on the trading platforms reflect conditions in the underlying market and can substantially widen during news events and around the end of the trading session. The prices offered to you depend on a number of factors including the transaction size, term of the product, the Firm's business relationship with you, the underlying market rates and any prevailing swap or rollover charges. There may be circumstances when these prices differ from those offered to other clients due to these factors.

REGULATORY AND LEGAL RISK

The risk that a change in laws and regulations will materially impact a security and investments in a sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape and as such alter the profit potential of an investment.

This risk is unpredictable and may vary from market to market. In emerging markets such risk may be higher than in more developed markets. For example, in emerging markets the inadequacy or absence of regulatory measures can give rise to an increased danger of market manipulation, insider trading or the absence of financial market supervision can affect the enforceability of legal rights.

TRADING PLATFORMS

Electronic trading platforms, no matter how convenient or efficient, do not remove the risks associated with transactions.

An electronic trading platform for CFD transactions is not an exchange. It does not connect to or route orders to an exchange. It is simply an electronic connection for communicating with APM. APM Capital is regulated by the FSRA and registered in ADGM.

APM's services are regulated by the FSRA however, the method through which you access these services, namely the trading platform, is not explicitly regulated by a financial services regulator. How you and APM Capital use the platform is governed only by your contract with APM Capital.

OUR SERVICES

Instructions to deal from you to us form a commitment which may only subsequently be revoked by you with our prior consent (such consent will not be unreasonably withheld) at any time before the instruction to deal is executed.

ELECTRONIC COMMUNICATIONS

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

SIGNIFICANT LOSS POTENTIAL AND NO GUARANTEES

You should also note that the funds you post as your initial deposit and the OTC positions you hold with APM are not guaranteed. APM may use these deposits against losses generated by your transactions. You are personally responsible for all losses resulting from these positions and in some cases, you may lose more than you deposited.

SECTION 2: DIRECT MARKET ACCESS (DMA) TRADING SERVICES

APM's DMA trading services are offered through Derivatives trading Accounts. Our DMA trading services allow you to instruct us to buy or sell derivatives (Futures and Options) on your behalf.

All instruments offered through our DMA trading Services are listed on an exchange, which means that the prices are not set by us. We will act on any instruction that you provide us to buy or sell an instrument on your behalf in accordance with our obligation to provide best execution as set out in our order execution policy, to act reasonably and in accordance with the applicable Client Agreement.

As part of our service, we will arrange for the custody of your instruments.

All investments purchased for you or transferred to us by you into your DMA trading Account, will be purchased in the name of and/or held by a nominee company selected by us, for the benefit of you.

All financial investments involve an element of risk. The value of any investment you make through our DMA trading services may fall as well as rise and you may get back less than your initial investment. Past performance is not an indication of future performance.

The risks you are exposed to will vary according to the instruments you instruct us to buy and sell on your behalf.

You should be aware that Derivatives are considered high risk financial products and are not appropriate for many members of the public. Trading in Derivatives involves you using 'leverage' or 'gearing' and this can work for or against you; a small price movement in your favour can result in a high return on the margin requirement placed for the Contract, but a small movement against you may result in substantial losses.

TERMS AND CONDITIONS OF CONTRACTS

You should research the terms and conditions of the specific futures or option contracts which you are trading and the associated obligations (e.g., the circumstances under which you may become obligated to make or take delivery of the underlying interest of a futures contract, and, in respect of options, expiration dates and restrictions on the time for exercise).

SUSPENSION OR RESTRICTION OF TRADING AND PRICING RELATIONSHIPS

Market conditions (e.g., illiquidity) or the operation of the rules of certain markets (e.g., the suspension of trading in any contract or contract month because of price limits or 'circuit breakers') may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the futures contract, and the underlying interest and the option may not exist. This can occur when, e.g., the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge 'fair' value.

APPROPRIATENESS

All of the instruments in which you can invest through our DMA trading services are considered complex and are high risk financial products. Because of this, where we make these available to you, we are required to make an assessment of whether these products are appropriate for you, and to warn you if, on the basis of the information you provide to us, that they are not appropriate. We will usually do this before you are able to invest in high-risk products. Any decision to open an account and to use our products or services is yours. It is your responsibility to understand the risks involved with our products or services.

During our application process, we will ask you for information about your financial assets and earnings. We do not monitor on your behalf whether the amount of money you have sent to us, or your profits or losses are consistent with that information. It is

up to you to assess whether your financial resources are adequate for your financial activity with us and your risk appetite in the products and services you use.

Under certain market 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.

LIQUIDITY RISK

Under certain market 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.

CURRENCY RISK

The profit or loss in transactions in foreign currency-denominated futures and options contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

RISK WARNING STATEMENT FOR OVERSEAS-LISTED INVESTMENT PRODUCTS

An overseas-listed investment product is subject to the laws and regulations of the jurisdiction it is listed in. Before you trade in an overseas-listed investment product or authorise someone else to trade for you, you should be aware of:

- The level of investor protection and safeguards that you are afforded in the relevant foreign jurisdiction as the overseas-listed investment product would operate under a different regulatory regime.
- The differences between the legal systems and regulatory regime in the foreign jurisdiction and UAE that may affect your ability to recover your funds.
- The tax implications, currency risks, and additional transaction costs that you may have to incur.
- The counterparty and correspondent broker risks that you are exposed to.
- The political, economic and social developments that influence the overseas markets you are investing in.
- These and other risks may affect the value of your investment. You should not invest in the product if you do not understand or are not comfortable with such risks.

TRADING FACILITIES

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the one or more parties, namely the system provider, the market, the clearing house or member firms.

NO ADVICE

Our services are provided on an execution only basis. We do not provide investment advice in relation to derivatives trading services or products available for you to trade through our DMA trading services. We sometimes provide factual information or research recommendations about a market, information about transaction procedures and information about the potential risks involved and how those risks may be minimised. However, any decision to use our products or services is made by you.

You are responsible for managing your tax and legal affairs including making any regulatory filings and payments and complying with applicable laws and regulations. We do not provide any regulatory, tax or legal advice. If you are in any doubt as to the tax treatment or liabilities of investment products available through your DMA trading Account, you should seek independent advice.

INVESTMENT SPECIFIC RISKS

Futures

Effect of 'Leverage' or 'Gearing'

Transactions in futures contracts carry a high degree of risk. The amount of initial margin is small relative to the value of the futures contract so that the transaction is highly 'leveraged' or 'geared'. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit; this may work against you as well as for you. You may sustain a total loss of the initial margin funds and any additional funds deposited with the Firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice in order to maintain your position. If you fail to comply with a request for additional funds within the specified time, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account.

Risk-Reducing Orders or Strategies

The placing of certain orders (e.g., 'stop-loss' orders, where permitted under local law, or 'stop-limit' orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. At times, it is also difficult or impossible to liquidate a position without incurring substantial losses. Strategies using combinations of positions, such as 'spread' and 'straddle' positions may be as risky as taking simple 'long' or 'short' positions.

Options

Variable Degree of Risk

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarise themselves with the type of options (i.e., put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options would have to increase for your position to become profitable, taking into account the premium paid and all transaction costs.

The purchaser of options may offset its position by trading in the market or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a futures contract, the purchaser will have to acquire a position in a futures contract, as the case may be, with associated liabilities for margin. If the purchased options expire worthless, you will suffer a total loss of your investment which will consist of the option premium paid plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that, ordinarily, the chance of such options becoming profitable is remote.

Selling ('writing' or 'granting') an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of the amount of premium received. The seller will be liable to deposit additional margin to maintain the position if the market moves unfavourably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest.

If the option is on a futures contract, the seller will acquire a futures contract, as the case may be, with associated liabilities for margin. If the option is 'covered' by the seller holding a corresponding position in the underlying futures contract, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

SECTION 3: GENERAL RISKS (APPLICABLE TO ALL ACCOUNTS)

NEED TO MONITOR POSITIONS

It is important that you monitor all of your positions closely. It is your responsibility to monitor your positions and during the period that you have any open positions. You should always have the ability to access your Accounts.

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ELECTRONIC COMMUNICATIONS

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

OUR SERVICES

Instructions to deal from you to us form a commitment which may only subsequently be revoked by you with our prior consent (such consent will not be unreasonably withheld) at any time before the instruction to deal is executed.

CLEARING HOUSE PROTECTIONS

On many exchanges, the performance of a transaction by us (or third-party with whom we are dealing on your behalf) is 'guaranteed' by the exchange or clearing house and we may have the benefit of certain legal protections from our clearing member. However, it is unlikely that in most circumstances this guarantee or legal protections will cover you, the customer, and may not protect you if we or, another party were to default on obligations owed to you.

INSOLVENCY

The insolvency or default of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets that you have invested and you may have to accept any available payments in cash. On request, we will provide you with an explanation of the extent to which we will accept liability for any insolvency of, or default by, other firms involved with your transactions.

TAX

We do not provide tax advice and if you are in any doubt as to your tax obligations, you should seek independent advice.

DEFAULT

CFD Accounts and DMA trading Accounts are provided by APM Capital Limited. In the unlikely event of APM suffering a financial default and not being able to meet its obligations, your claims against APM will be settled in accordance with applicable insolvency law and client money regulations of the Abu Dhabi Global Markets and the Financial Services Regulatory Authority, respectively.

REGULATORY AND LEGAL RISK

The risk that a change in laws and regulations will materially impact a security and investments in a sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape and as such alter the profit potential of an investment.

This risk is unpredictable and may vary from market to market. In emerging markets such risk may be higher than in more developed markets. For example in emerging markets the inadequacy or absence of regulatory measures can give rise to an increased danger of market manipulation, insider trading or the absence of financial market supervision can affect the enforceability of legal rights