RISK DISCLOSURE NOTICE

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1. Introduction

Vantage Markets (Pty) Ltd ("we", "us" or "Vantage Markets"), is a company registered and headquartered in South Africa (registration number: 2020/595755/07), and a financial service provider authorised and regulated by the Financial Sector Conduct Authority ("FSCA") under FSP license number 51268, governed by the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002).

We operate as an intermediary, providing clients with access to derivative instruments through relationships with established market makers. Our business is built on integrity and transparency, offering an industry-leading combination of dynamic products, competitive trading conditions and dedicated support to both traders and affiliates.

It is Vantage Markets' mission to facilitate access to a wide range of derivative instruments in a regulated environment, supported by robust trading infrastructure and client service.

2. Risk Disclosure Notice

Before using the services provided by Vantage Markets (Pty) Ltd, you must read and understand this Risk Disclosure Notice. Its purpose is to outline the nature and risks of trading in derivative instruments, including margin products such as rolling spot forex and contracts for difference (CFDs). This notice is intended to help you assess whether our services are appropriate for you. It does not set out every possible risk. You should ensure you fully understand the risks involved and, if necessary, seek independent professional advice before proceeding.

3. Risks of Margin Trading and Complex Financial Instruments

Before deciding to trade in derivative instruments, you should carefully consider your level of knowledge and experience. Derivative instruments are complex financial products and require sufficient understanding of how they work, the risks involved, and whether trading in such products is appropriate for you.

You should also take into account your investment objectives and risk appetite. Trading on margin involves a high level of risk to your capital, and you may lose more than your initial investment. Do not trade with funds you cannot afford to lose. Because these are leveraged products, even small price movements can result in magnified gains or losses. Margin trading in derivative instruments may not be suitable for all investors. If you are unsure about the risks, you should seek independent professional financial advice.

Derivative instruments are classified as complex financial instruments. These carry a higher risk profile and require a greater level of experience and knowledge to understand and manage the risks effectively. In addition, complex financial instruments are not considered to be "readily realisable," meaning it may not always be possible to close a position or liquidate the instrument at a time of your choosing.

Examples of complex financial instruments available through the Vantage Markets trading platform include:

- Rolling Spot Forex (Margin Forex); and
- Contracts for Difference (CFDs).

4. Margin Trading

Margin is the amount of money you need to open a position, defined by the margin rate. Margin trading is a high-risk trading strategy that allows you to trade more than the capital or ‘margin’ that a firm holds for you. This is also known as ‘leverage’ or ‘leverage trading’, which means that you can place trades that are greater than the relatively small amount of money that you have deposited as margin. With margin trading, you can make significant gains if the price moves in your favour; however, even a small movement in price against you can lead to substantial losses.

If this happens, you may be required to deposit additional margin with us immediately to keep these trades open; this is referred to as a ‘Margin Call’. You are liable for ensuring that you always deposit enough margin and for any losses that you may incur when your positions are closed. There is no limit on the potential losses or profits when you carry out margin trading and you should always consider this when making trading decisions.

Margin trading carries a high degree of risk to your capital and as such, it is not suitable to all investors. Before you decide to carry out any margin trading, please ensure that you fully understand the risks involved, and seek independent advice if necessary.

As there is no limit to the losses that you may incur, you should ensure that you have sufficient resources available to you to cover any adverse movement in the price of the margined product, any margin requirement or loss.

To manage exposure, employ risk-reducing strategies such as:

1) Make use of “stop loss” or “limit” orders to limit potential losses when utilising leverage. Stop Loss or limit orders are not guaranteed; gaps in market pricing may cause your Stop Loss orders to be filled at a less advantageous price and you can incur losses which can exceed your invested capital.

2) Use a lower leverage so you can impose a higher margin requirement on yourself. This way, you will be less tempted to enter into positions beyond your comfortable leverage level. You will also be aware of a potential margin closeout sooner.

3) Monitor the status of your account and open positions continuously.

5. Additional Deposits

You are required to deposit a margin with the firm in order to open a position and it is your responsibility to ensure that you have enough margin to cover your open positions. If your margin requirement is insufficient, you will either need to deposit more funds with us in order to maintain the position or reduce the position to reduce your margin requirement.

If you do not take any action to maintain your margin, then we will have the right to close your trade for you and you accept that you will be responsible for any losses.

6. Rolling Spot Forex

This is either a future where the underlying instrument being traded is foreign exchange or sterling, or it is a contract for difference where the profit is secured or a loss is avoided, through fluctuations in foreign exchange rates, in either case the contract is entered into for speculative purposes.

A rolling spot forex contract can be ‘rolled’ indefinitely and no currency is actually delivered until the position is closed. This exposes both parties to fluctuations in the underlying currencies.

7. Contracts for Differences (CFD)

A CFD (Contract for Difference) is an agreement to exchange the difference between the opening and closing value of a contract at its close. Rather than buying or selling the underlying instrument on which your contract is based, you simply place a trade with a CFD provider. The price of your CFD will then replicate the price of the underlying asset (without actually owning the underlying product) giving you a profit (or a loss) as the price of the underlying moves, so that the amount of any profit or loss made on a CFD will be equal to the difference between the price of the underlying instrument when the CFD is opened and the price of the underlying instrument when the CFD is closed, multiplied by the number of underlying instruments to which the CFD relates.

CFDs are a way of trading on the upward or downward price movements of traditional financial markets without buying or selling the underlying asset directly. The potential losses associated with the price movements can exceed the total value of the initial margin (and any additional margin funds) you have deposited with us, and you may be obliged to close your positions at the worst possible time.

You should also be aware that a CFD is a ‘principal-to-principal’ contract, which means that once the position has been opened, you are restricted to closing your position with the same counterparty, regardless of whether or not you could have achieved a better outcome elsewhere.

8. Exchange Risk

Maring Forex and CFD products are exposed to ‘exchange risk’. Exchange risk also known as “currency risk” is the risk of loss (or gain) from unforeseen changes in exchange rates (the prices at which currencies trade for each other). There is a risk that you will have to close out a long or short position in a foreign currency at a loss due to an adverse movement in exchange rates. It can also be described as the uncertainty of returns where you purchase securities in a currency different to your domestic currency.

9. Liquidity Risk

Margin Forex and CFDs products are exposed to 'liquidity risk'. Liquidity risk arises from situations in which an investor interested in trading a product cannot do so because no one in the market wants to trade that product. It is the inability to find buyers on the desired terms. It is also the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimise a loss.

Non-highly traded securities bear higher liquidity risk since there is a risk of having difficulty in liquidating an investment position without taking a significant discount from current market value. The liquidity risk is usually reflected in a wide bid-ask spread and large price movements and can take the following three forms:

1) Bid-ask spread: how much a trader can lose by selling an asset and buying it back right away.
2) Market depth: how many units traders can sell or buy at the current bid or ask price without moving the price.
3) Market resiliency: how long it takes for prices that are temporarily incorrect to return to normal.

10. Market volatility

Financial markets may fluctuate rapidly, and the prices of our products will reflect this. Spreads fluctuate just like exchange rates. You face increased periods of price volatility during market events such as economic and political news announcements, elections and so forth. During this period, there may be times when spreads are considerably wider than usual. This can impact your account in the following ways: in general, wide spreads will mean the cost of closing your position will be greater. This will reflect as a loss to your equity, and raises the chance of you breaching your margin requirement.

Under extreme volatility, you will see your profit and loss fluctuate far more than normal. This means you may enter a margin close out quicker and also significantly raises the possibility of your account entering negative equity. If the market were to spike, crash or gap, it could result in significant losses, especially for a highly-leveraged trading account.

Gapping is a risk that arises as a result of market volatility. Gapping occurs when the prices of our products suddenly shift from one price to another, as a consequence of market volatility. 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. One of the effects of this may be that stop-loss orders are executed at unfavourable prices, either higher or lower than you may have anticipated, depending on the direction of your trades.

11. Weekend and Holiday Risk

There will be limitations on when you are able to carry out trading, for example, you will not be able to trade over weekends and bank holidays (market opening and closing times can be found on our website), when financial markets will generally be closed for trading. You should be aware that this may cause the markets to open at a significantly different price from where they closed.

You will not be able to place or change orders over the weekend, on market holidays or at other times when the relevant markets are generally closed (except for certain products such as crypto CFDs). There is a substantial risk that non-guaranteed “stop-loss” orders left to protect open positions held during these periods can be executed at levels significantly worse than their specified price, and you will be liable for ‘making good’ any losses, even if they are unforeseen.

12. Charges and Commissions

Before you begin to trade, you should ensure that you understand all commissions and other charges for which you will be liable. All costs and charges have been disclosed to you separately.

13. Client Money

Unless otherwise agreed with you in writing, we will hold all Client funds in segregated bank accounts. As such, all Client funds deposited with us are subject to the Client Money Rules of the regulator.

14. Execution Only

Vantage Markets (Pty) Ltd carries out your trading activities on an execution-only and intermediary basis. This means that we do not provide you with investment advice or make recommendations regarding transactions in derivative instruments. Our role is limited to facilitating access to market makers and processing instructions received from you.

We may provide you with factual information about the markets, the features of derivative instruments, transaction procedures and the potential risks involved. However, we will not assess the suitability of any transaction for you and, any decision to trade remains solely your responsibility.

15. General

There are risks associated with using an internet-based trading system, including but not limited to the failure of hardware, software, and internet connection. Vantage Markets is not responsible for communication failures or delays when trading via the internet. Vantage Markets employs backup systems and contingency plans to minimise the possibility of system failure.

Vantage Markets is not liable for any loss or damage, including, without limitation, any loss of profit, potential profit, trading opportunity, or other consequential loss, which may arise directly or indirectly from use or reliance on information provided by us. Nothing in this clause excludes or limits liability where such loss or damage results from Vantage Markets’ gross negligence, willful default or fraud.

Vantage Markets takes reasonable measures to ensure the information provided is accurate at the time of publication. However, content is subject to change at any time without notice. Any opinions, news, research, analyses, prices, or other information provided by Vantage Markets are intended solely as general market commentary, and do not constitute investment advice or a recommendation to trade.

Derivative instruments are complex and involve a high level of risk. If you are uncertain about the risks involved in trading derivative instruments, you should seek independent professional advice before proceeding. Trading on margin carries significant risks, is not suitable for everyone, and should not be regarded as a substitute for conventional investment methods. You must ensure that you fully understand the risks involved before entering into any trading strategy.