Risk Disclosure Notice

Altum

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1. Introduction and General Information

ALTUM Ltd, a company duly incorporated and existing under the laws of the Republic of Seychelles, with company registration number 8434835-1, having its registered address at House of Francis, Room 302, Ile Du Port, Mahe, Seychelles, and licensed and regulated by the Seychelles Financial Services Authority (FSA) under Securities Dealer's Licence No. SD194, trading under the brand name Altum Brokers (hereinafter referred to as the "Company", "we", "us", or "our"). The Company provides its Clients with access to global financial markets through advanced electronic trading platforms and liquidity providers selected for their reliability and competitive pricing.

This Risk Disclosure Notice ("the Notice") is issued in accordance with the regulatory requirements of the FSA of Seychelles. It is designed to provide Clients and prospective Clients with a clear understanding of the nature of the services offered by the Company and the significant risks that accompany leveraged trading in CFDs and other derivative financial instruments.

The Notice forms an integral part of the Company's contractual documentation and must be read in conjunction with the Account Opening Agreement, the Terms and Conditions of Business, and the Order Execution Policy. It does not, however, disclose every possible risk, nor does it constitute personalised investment advice. Its purpose is to help Clients make informed decisions about whether to enter into transactions with the Company.

Clients should not engage in trading unless they fully understand the products and risks involved and have carefully considered their investment objectives, financial situation, and risk tolerance. If any part of this document is unclear, or if Clients have questions regarding its content or their exposure, they should seek independent professional advice before proceeding.

2. The Nature of CFDs and Leverage

Contracts for Difference (CFDs) are derivative financial instruments that allow traders to speculate on the price movements of an underlying asset without actually owning that asset. CFDs are settled in cash, reflecting the difference between the opening and closing price of the contract. The underlying assets may include, but are not limited to, foreign exchange pairs, commodities, indices, cryptocurrencies, and shares.

CFDs are highly leveraged products. This means that a small initial margin deposit allows Clients to control a much larger market exposure. While this leverage can magnify potential profits, it can equally magnify losses. A relatively minor movement in the underlying asset's price may have a dramatic impact on the Client's account, and in certain circumstances, losses can exceed the initial amount deposited. Trading leveraged products therefore carries a high degree of risk and is not suitable for all investors.

Clients should also understand that past performance of any financial instrument is not indicative of future results. The value of investments can fluctuate rapidly due to market volatility, and Clients should only trade if they can afford to assume such risks, including the potential total loss of invested funds.

3. General Risk Warnings

Trading CFDs and other leveraged financial instruments is inherently speculative. The value of a Client's investments can rise or fall, and it is possible that the Client may lose all, or more than, the capital initially invested. The Company does not, and cannot, guarantee that any investment made through its platform will be profitable.

Market movements can occur suddenly and without warning, particularly during periods of significant economic or political developments, or when major news events are released. The effect of such events can be immediate and may result in sharp price

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fluctuations, widening of spreads, and the potential inability to execute orders at the intended price.

Clients should recognize that foreign exchange rate changes, variations in interest rates, and liquidity conditions in the underlying markets can all affect the value of open positions. Furthermore, no assurance can be given that the Client's trading objectives will be achieved or that past profitability will be repeated.

4. Specific Risks Associated with CFD Trading

4.1. Leverage and Margin Risk

Trading on margin means that Clients deposit only a small portion of the total value of the trade, with the remainder effectively financed by the Company. This arrangement allows for amplified exposure to market movements. While leverage can magnify gains, it equally magnifies losses. A relatively small adverse movement in the underlying price may result in significant losses that can exceed the initial deposit.

Clients are required to maintain adequate margin levels at all times. If the Client's equity (account balance plus unrealized profit or loss) falls to 50% of the required margin, a margin call is triggered, requiring the Client to deposit additional funds or close some positions. If the Client's equity subsequently declines below 30% of the required margin, the Company reserves the right to automatically close one or more open positions at the prevailing market price ("stop-out") without prior notice to the Client. The purpose of this mechanism is to protect both the Client and the Company from escalating losses, but it does not guarantee that the Client's account balance will not fall below the initial deposit.

4.2. Market and Volatility Risk

Financial markets are influenced by global economic events, political developments, central bank decisions, and natural disasters, among other factors. These events can cause abrupt price fluctuations, creating conditions of high volatility. In such circumstances, the execution of orders may be delayed or occur at prices materially different from those requested.

Clients should understand that volatility can occur at any time, including at market open or during news releases. Price gaps ("gapping") may prevent the execution of stop-loss orders at specified levels, resulting in losses that are greater than anticipated.

4.3. Stop-Loss Orders

Stop-loss and take-profit orders are designed to automatically close positions at pre-set price levels in order to limit potential losses or secure profits. However, under certain market conditions—particularly during periods of high volatility or low liquidity—such orders may not be executed at the exact price requested. This may occur when the market price "jumps" from one level to another without trading at intermediate levels. The Client should therefore not assume that a stop-loss order provides absolute protection.

4.4. Technical and Operational Risks

Trading through an electronic platform involves risks associated with technology. These include failures in software, hardware, communication systems, or internet connectivity. The Client may experience delays, interruptions, or even the inability to access the trading platform or execute orders. The Company strives to maintain high technical standards, but cannot be held liable for losses arising from failures beyond its reasonable control.

Clients are responsible for maintaining the integrity and security of their personal equipment, including reliable internet access and updated software. Losses resulting from local technical issues—such as power outages, faulty devices, or unstable connections—are solely the Client's responsibility.

4.5. Counterparty and Third-Party Risk

Client funds are held in segregated accounts, separate from the Company's operational funds, in accordance with regulatory requirements. However, segregation does not provide absolute protection. In the unlikely event of the insolvency of the Company, its bankers, or its liquidity providers, the Client may face a delay in accessing funds or, in extreme cases, a partial loss of the balance held.

4.6. Liquidity Risk

Not all markets or instruments have constant liquidity. Under certain conditions—such as after-hours trading, public holidays, or during major economic announcements—there may be insufficient buyers or sellers to execute trades at desired prices. This may result in slippage, widening spreads, or inability to close positions promptly.

4.7. Legal and Regulatory Risk

Changes in laws, taxation policies, or financial regulations in Seychelles or other relevant jurisdictions may adversely affect trading conditions or the value of investments. Regulatory authorities may impose restrictions on leverage, trading hours, or the range of permitted instruments, which could alter the terms of trading or the level of risk involved.

4.8. Force Majeure Risk

Extraordinary events beyond the Company's control—such as natural disasters, wars, power failures, cyberattacks, or systemic financial crises—may cause disruptions in trading activities. Such events may lead to delays, re-quoting, or the temporary suspension of services. The Client accepts that during such periods, the ability to open or close positions may be limited and that losses arising from such circumstances are borne by the Client.

5. Other Material Risks

5.1. Interest Rate and Foreign Exchange Risk

Altum

Fluctuations in interest rates can affect the valuation of instruments, margin requirements, and financing costs (swaps or overnight fees). Similarly, Clients trading instruments denominated in currencies other than their account's base currency are exposed to exchange rate fluctuations, which may impact both realized and unrealized profits and losses.

5.2. Operational and Human Error

The possibility of human error cannot be fully eliminated. Errors in placing, modifying, or closing orders—whether by the Client or the Company—may occur and result in losses. Clients are encouraged to review all transaction details before submission and immediately report any discrepancies or suspected errors to the Company's support department.

5.3. Taxation

Profits and losses arising from trading may be subject to taxation under applicable laws. Tax laws and rates can change without notice. Clients are solely responsible for determining and fulfilling their tax obligations in their country of residence or operation.

6. Client Responsibilities

It is the responsibility of each Client to carefully monitor their open positions and account balance on a regular basis. Clients must ensure that sufficient funds are available to meet margin requirements and that they fully understand the potential financial consequences of leverage and volatility.

Clients must maintain the confidentiality of their trading credentials and ensure that their platform access is secure. The Company bears no liability for losses arising from unauthorized access resulting from the Client's failure to protect login details or other sensitive information.

Clients should familiarize themselves with the features of the trading platform, including order types, margin policies, and stop-out levels. They should also take the time to read and understand the applicable costs, such as commissions, swaps, and spreads, before engaging in any trading activity.

7. Internal Risk Governance

Altum Brokers Ltd operates under a comprehensive Risk Management Framework approved by its Board of Directors. This framework establishes a structured approach to identifying, assessing, mitigating, and monitoring all material risks associated with the Company's operations and services.

The Board of Directors retains ultimate responsibility for ensuring that the Company's risk management practices remain effective and proportionate to its business model and regulatory obligations. Regular stress testing is conducted to evaluate the Company's financial resilience under extreme market conditions, and detailed reports on risk exposures are submitted periodically to both senior management and the Seychelles FSA.

The Company maintains strict internal controls, including segregation of duties, a "four-eye" oversight structure, and continuous monitoring of capital adequacy and liquidity levels. The Compliance Officer is responsible for overseeing adherence to legal and regulatory requirements, while the Risk Officer ensures that all relevant risks are continuously identified, assessed, and mitigated.

8. Review and Amendments

This Risk Disclosure Notice is reviewed at least once per year or more frequently if significant changes occur in regulatory requirements, market conditions, or the Company's operational framework. The latest version is made available on the Company's official website, and Clients are encouraged to review it periodically to remain informed of any updates.

9. Client Acknowledgment

By opening a trading account with Altum Brokers Ltd and by conducting any transaction in CFDs or other financial instruments, the Client expressly acknowledges that they have read, understood, and accepted the contents of this Risk Disclosure Notice.

The Client further confirms that they understand the speculative nature of trading in leveraged instruments, recognize that losses can exceed deposits, and accept that they are financially capable of bearing such risks without jeopardizing their personal or financial well-being.