VELSTEIN
MARKETS

COMPLIANCE • DISCLOSURE 09

Risk Disclosure

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SECTION 01

General Risk Warning

RISK WARNING

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.

1.1 Velstein Markets (hereinafter referred to as "the Company") provides this Risk Disclosure Statement to inform you of the potential risks associated with trading Contracts for Difference ("CFDs") and other leveraged financial instruments.

1.2 The Company is duly registered and incorporated in Saint Lucia under Company Registration Number 2026-00749. This document is provided in accordance with applicable regulatory requirements.

1.3 This Risk Disclosure does not explain all of the risks involved in trading CFDs or other leveraged products, nor does it explain how such risks relate to your personal circumstances. It is important that you fully understand the risks involved before making a decision to trade.

1.4 You should not invest money that you cannot afford to lose. You should be aware that you may lose all of your invested capital. You should not trade CFDs unless you understand the nature of the transaction you are entering into and the true extent of your exposure to the risk of loss.

SECTION 02

Nature of CFDs

2.1 A Contract for Difference (CFD) is a derivative financial instrument the value of which is derived from the value of an underlying asset such as a currency pair, commodity, stock index, share, or cryptocurrency.

2.2 When trading CFDs, you do not acquire ownership of the underlying asset. Instead, you are speculating on the price movement of that asset. Your profit or loss is determined by the difference between the price at which the contract is opened and the price at which it is closed.

2.3 CFDs are traded on margin, meaning that you are required to deposit only a fraction of the total value of the position. While this allows you to gain larger market exposure with a smaller initial investment, it also significantly amplifies both potential profits and potential losses.

2.4 CFDs are over-the-counter (OTC) products and are not traded on a regulated exchange. The Company acts as the counterparty to your trades. The prices quoted by Velstein Markets may differ from prices available on the underlying exchange or market.

SECTION 03

Leverage Risk

3.1 Leverage allows you to open positions that are significantly larger than your initial deposit. For example, with leverage of 1:100, a deposit of $1,000 allows you to control a position worth $100,000.

3.2 While leverage can magnify your profits, it can equally magnify your losses. A small adverse price movement can result in losses that exceed your initial deposit. You may be required to deposit additional funds at short notice to maintain your positions (a “margin call”).

3.3 If you fail to meet a margin call, the Company reserves the right to close some or all of your open positions without prior notice. You will be liable for any resulting losses.

3.4 The Company may change margin requirements at any time and without prior notice. Such changes may apply to both new and existing open positions.

SECTION 04

Market Risk

4.1 Financial markets are subject to rapid price fluctuations driven by economic events, geopolitical developments, central bank decisions, market sentiment, and other factors beyond the control of the Company or the Client.

4.2 Price Gaps: Under certain market conditions, such as during weekends, public holidays, or periods of extreme volatility, market prices may “gap” — moving from one level to another without passing through intermediate levels. This means that stop-loss orders and other pending orders may be executed at a price that is significantly different from the price you specified.

4.3 Slippage: The execution price of your order may differ from the requested price due to rapid market movements. Slippage can occur in both favorable and unfavorable directions.

4.4 Volatility: Certain instruments, particularly cryptocurrencies, exotic currency pairs, and commodities, may experience extreme price volatility, which can result in significant and rapid changes to the value of your positions.

SECTION 05

Liquidity Risk

5.1 Under certain market conditions, you may find it difficult or impossible to close a position or liquidate assets. This may occur during periods of rapid price movement, low market volume, or market disruptions.

5.2 Placing contingent orders, such as stop-loss orders, will not necessarily limit your losses to the intended amounts. Market conditions may make it impossible to execute such orders at the stipulated price.

5.3 The spread between the bid and ask price may widen significantly during periods of low liquidity or high volatility, increasing the cost of entering and exiting positions.

SECTION 06

Currency Risk

6.1 If you trade in instruments denominated in a currency other than the base currency of your trading account, exchange rate fluctuations may affect your profits and losses.

6.2 Currency conversion charges may apply when deposits, withdrawals, or profit/loss calculations involve currency conversion.

SECTION 07

Technology Risk

7.1 Trading via electronic platforms carries inherent risks, including but not limited to hardware or software failure, internet connectivity issues, power outages, and cyber attacks.

7.2 The Company's trading platform (MetaTrader 4, MetaTrader 5, Web Terminal) may experience delays, interruptions, or errors that could affect order execution, price display, or account management. The Company shall not be liable for losses arising from such events.

7.3 You are responsible for ensuring that your own technology (hardware, software, and internet connection) is adequate for the purpose of trading.

SECTION 08

Counterparty Risk

8.1 When you trade CFDs with Velstein Markets, you are entering into a bilateral contract with the Company. The Company is the counterparty to all your trades. Your positions are not traded on an exchange and do not benefit from exchange-level protections.

8.2 Your funds are held by the Company in accordance with applicable regulatory requirements. However, in the event of the Company's insolvency, you may not recover the full amount of your funds.

SECTION 09

Regulatory Risk

9.1 Changes in laws, regulations, or tax rules in your country of residence or in the jurisdictions in which the Company operates may adversely affect your ability to trade, the treatment of your funds, or the tax implications of your trading activity.

9.2 The Company may be required to take certain actions (including closing positions or restricting services) in order to comply with regulatory changes, which may result in losses to you.

SECTION 10

Risks by Asset Class

10.1 Forex (Foreign Exchange)

Forex markets are highly liquid but subject to rapid price movements driven by macroeconomic data releases, central bank decisions, and geopolitical events. Exotic currency pairs may have significantly wider spreads and lower liquidity.

10.2 Precious Metals

Precious metals such as gold and silver are influenced by supply and demand dynamics, geopolitical events, currency fluctuations, and central bank reserve policies. Prices may experience significant volatility.

10.3 Indices

Stock index CFDs are affected by the performance of their constituent stocks, macroeconomic conditions, corporate earnings, and market sentiment. Index values can experience sharp declines during market downturns.

10.4 Commodities

Commodity prices are affected by supply and demand factors, weather conditions, geopolitical events, and regulatory changes. Commodities may experience periods of extreme volatility.

10.5 Cryptocurrencies

> HIGH RISK
> Cryptocurrency CFDs are highly speculative and carry an exceptionally high level of risk. Cryptocurrencies are subject to extreme price volatility, regulatory uncertainty, and technology risks. You may lose the entirety of your investment.

Cryptocurrency markets operate 24/7 and may be subject to sudden and extreme price movements, flash crashes, and prolonged periods of illiquidity. Regulatory action in any jurisdiction may significantly impact the availability and value of cryptocurrencies.

10.6 Shares / Equities

Share CFDs are affected by company-specific factors (earnings, management changes, litigation), sector dynamics, and broader market conditions. Individual shares may experience significant price movements following corporate announcements.

SECTION 11

Past Performance

11.1 Past performance is not a reliable indicator of future results. The value of investments and the income derived from them can go down as well as up.

11.2 Any examples, simulations, or hypothetical performance data provided by the Company or third parties are for illustrative purposes only and should not be interpreted as a guarantee of future performance.

SECTION 12

Independent Advice

12.1 The Company does not provide investment advice. Any information provided by the Company is for informational purposes only and should not be construed as personal investment advice.

12.2 Before deciding to trade CFDs, you should seek independent financial, legal, and tax advice from qualified professionals who are familiar with your personal financial circumstances and objectives.

SECTION 13

Acknowledgment

13.1 By opening a trading account with the Company, you acknowledge that you have read, understood, and accepted the risks described in this Risk Disclosure Statement.

13.2 You confirm that you are aware that trading in CFDs and other leveraged financial instruments carries a high degree of risk and that you may lose more than your initial investment.

13.3 You acknowledge that this Risk Disclosure Statement does not disclose all risks associated with CFD trading and that you are responsible for conducting your own due diligence.

Document	Risk Disclosure Statement
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