RISK DISCLOSURE NOTICE

1. INTRODUCTION

1.1. PAMRS (Pty) Limited ("PAMRS") is a private company incorporated under the laws of the Republic of South Africa and authorised by the Financial Sector Conduct Authority ("FSCA") as a Category II discretionary Financial Services Provider (FSP number 55878) under the Financial Advisory and Intermediary Services Act, 2002 ("FAIS Act"). PAMRS is authorised to provide discretionary intermediary services in respect of derivative instruments, subject to the terms and conditions of its licence.

1.2. In terms of the General Code of Conduct for Authorised Financial Services Providers and Representatives, clients must be informed of the material risks associated with financial products and services. The purpose of this Risk Disclosure Notice is to ensure that clients understand the significant risks associated with trading derivative instruments, specifically Contracts for Difference ("CFDs") referencing foreign exchange and gold markets.

1.3. This document does not disclose all risks associated with such products. Clients are strongly encouraged to seek independent professional advice relating to legal, tax, financial, regulatory or accounting implications before participating in such trading.

1.4. Trading derivative instruments involves a high level of risk and may not be suitable for all investors.

2. NATURE OF SERVICES PROVIDED BY PAMRS

2.1 PAMRS provides intermediary services only and does not provide financial advice to clients.

2.2 Clients appoint PAMRS under a discretionary mandate, authorising PAMRS to execute trading decisions on their behalf without prior consultation for each transaction.

2.3 All trading decisions are executed through proprietary algorithmic trading models developed and maintained by PAMRS.

2.4 Although trading decisions are generated algorithmically, human oversight is maintained at all times, particularly during periods of abnormal market conditions or market stress.

2.5 PAMRS may execute transactions in the following underlying instruments:

a) Foreign Exchange CFDs referencing major currency pairs
b) Gold CFDs (XAU/USD)

2.6 These instruments are derivative products, and their value is derived from the price movements of the underlying assets.

3. GENERAL RISKS ASSOCIATED WITH CFD AND FX TRADING

Trading CFDs and FX derivatives is highly speculative and involves substantial risk.

Clients should only participate in such trading if they:

3.1 understand the economic, legal and market risks involved;
3.2 possess sufficient knowledge and experience of derivative instruments; and
3.3 are financially able to withstand significant losses, including the possibility of losing their entire investment.

4. LEVERAGE AND MARGIN RISK

CFDs and FX contracts are leveraged financial instruments, meaning that only a portion of the full trade value (known as margin) is required to open a position.

While leverage may increase potential profits, it also magnifies potential losses.

As a result:

4.1 Small market movements can lead to large financial losses.

4.2 Losses may exceed the initial capital deposited.

4.3 Clients may be required to provide additional margin to maintain open positions.

If sufficient margin is not available, positions may be automatically closed, potentially resulting in realised losses.

5. MARKET VOLATILITY

Foreign exchange and gold markets are subject to rapid and unpredictable price movements due to factors including:

5.1. economic announcements
5.2. geopolitical developments
5.3. changes in monetary policy
5.4. market sentiment
5.5. liquidity conditions

Such volatility may cause significant losses within short time periods.

6. ALGORITHMIC TRADING RISK

PAMRS utilises proprietary algorithmic models to identify and execute trading opportunities.

While algorithmic trading may provide benefits such as speed and consistency, it also introduces specific risks including:

6.1. model or strategy failure
6.2. incorrect market assumptions embedded in algorithms
6.3. unexpected market behaviour
6.4. system or data errors
6.5. delays in trade execution

Although PAMRS maintains continuous human oversight, algorithmic trading strategies cannot guarantee profitable outcomes and may generate losses.

7. DISCRETIONARY MANAGEMENT RISK

Under the discretionary mandate granted by clients:

7.1. PAMRS will make trading decisions without prior client approval for each transaction.
7.2. Clients will not control individual trading decisions or timing of trades.

While PAMRS will act in accordance with the mandate and internal risk controls, trading outcomes may still result in financial losses.

8. LIQUIDITY RISK

Under certain market conditions it may be difficult or impossible to close a position.

This may occur when:

8.1. markets experience extreme volatility
8.2. liquidity providers withdraw from the market
8.3. trading in the underlying asset becomes restricted

In such circumstances, orders (including stop-loss orders) may not be executed at the intended price, which may increase losses.

9. TECHNOLOGY AND SYSTEM RISKS

Trading in derivative instruments relies heavily on electronic trading systems and market data feeds.

Potential risks include:

9.1. system failures

9.2. internet connectivity disruptions
9.3. platform outages
9.4. data inaccuracies
9.5. delays in order transmission or execution

Such technological disruptions may affect the timing and pricing of trades.

10. NO GUARANTEE OF PERFORMANCE

10.1. Past performance of any trading strategy, including algorithmic models, is not indicative of future performance.

10.2. PAMRS does not guarantee profits or protection from losses.

10.3. All trading activity involves financial risk, and clients may lose some or all of their invested capital.