The Jazz Fintech

RISK DISCLAIMER
AND DISCLOSURE STATEMENT

THE JAZZ FINTECH (BROKTRADING LTD)

A Cyprus Limited Liability Company

Registration Number: HE 342927

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IMPORTANT RISK WARNING

Trading in financial instruments such as Forex, CFDs, and cryptocurrencies carries a high level of risk and may not be suitable for all investors. You could lose all or a substantial portion of your invested capital. The use of automated trading software does not guarantee profits and carries additional technological risks. Past performance is not indicative of future results.

1. Introduction and Purpose

This Risk Disclaimer is provided by BROKTRADING LTD, operating under the trading name THE JAZZ FINTECH, a private limited liability company incorporated under the laws of the Republic of Cyprus with registration number HE 342927 and registered office at Orfeos Street 18B, 1070 Nicosia, Cyprus (hereinafter referred to as the **"Company"**, **"we"**, **"us"**, or **"our"**).

The purpose of this document is to inform you about the various risks associated with trading in financial markets and with using our products, which include Expert Advisors (EAs), the Trading Dashboard desktop software and web app, and Access Keys. This Risk Disclaimer forms an integral part of our Terms and Conditions and End User License Agreement (EULA), and by using any of our products or services, you acknowledge that you have read, understood, and accepted these risks.

It is important to note that all purchases of our products are processed through our authorised Merchant of Record, Paddle.

Paddle means:

- where the Buyer is purchasing the Product from within the United States, Paddle.com Inc whose registered office address is at 3811 Ditmars Blvd, 1071, Astoria, NY 11105-1803, USA; and
- otherwise, for sales of the Product made in the rest of the world: Paddle.com Market Limited whose registered office address is at Judd House, 18-29 Mora Street, London, EC1V 8BT, UK

While Paddle handles payment processing, billing, and tax collection, this Risk Disclaimer relates specifically to the products themselves and the inherent risks of trading in financial markets, rather than to payment processing matters.

2. Understanding Trading Risks

2.1 General Market Risks

Trading in financial markets involves substantial risk of loss. The value of financial instruments can fluctuate significantly due to a wide range of factors that are often unpredictable and beyond anyone's control. These factors include macroeconomic conditions such as interest rate changes, inflation rates, and shifts in monetary policy. Political events and geopolitical tensions can cause sudden and dramatic market movements. Market sentiment and collective investor psychology play a significant role in price determination. Natural disasters, pandemics, and other unforeseen events can disrupt markets globally. Liquidity conditions may vary considerably, affecting your ability to enter or exit positions at desired prices. Furthermore, the actions of institutional traders, hedge funds, and algorithmic trading systems can create volatility that impacts individual traders.

2.2 Forex Trading Risks

The foreign exchange market presents unique risks that you should carefully consider. Currency markets are characterised by high volatility, with exchange rates capable of moving substantially within short periods. The use of leverage in forex trading can amplify both gains and losses, meaning that relatively small market movements can have a disproportionately large impact on your capital. Market gaps may occur over weekends and holidays when trading is suspended, potentially causing your positions to open at prices significantly different from where they closed. The 24-hour nature of the forex market requires constant attention if you wish to monitor your positions actively. Spreads and execution quality can vary depending on market conditions and your broker. Overnight positions may be subject to swap rates that can either benefit or cost you depending on the interest rate differential between currency pairs. Additionally, regulatory frameworks differ across jurisdictions, which may affect your trading conditions and protections.

2.3 CFD Trading Risks

Contracts for Difference (CFDs) are complex financial instruments that carry a high risk of losing money rapidly due to leverage. A significant proportion of retail investor accounts lose money when trading CFDs. The leverage available in CFD trading means that losses can be magnified substantially, and you may lose more than your initial investment. Margin calls may require you to deposit additional funds at short notice to maintain your positions, and failure to meet margin requirements may result in the forced liquidation of your positions at unfavourable prices. There is also counterparty risk, as CFDs are contracts with your broker rather than ownership of underlying assets. Financing charges apply to positions held overnight, and regulatory restrictions on CFD trading vary by jurisdiction and may change over time.

2.4 Cryptocurrency Trading Risks

Cryptocurrency markets are subject to extreme volatility that can exceed that of traditional financial markets. The regulatory landscape for cryptocurrencies remains uncertain and continues to evolve across different jurisdictions, which may affect the legality, taxation, and trading conditions of digital assets. Security risks are prevalent in this space, including the possibility of exchange hacks, wallet compromises, and theft of digital assets. Cryptocurrency markets are susceptible to manipulation due to their relatively smaller size and less regulated nature compared to traditional markets. Technical risks exist, including the possibility of network forks, protocol failures, and smart contract vulnerabilities. Projects may fail entirely, resulting in the total loss of invested capital. Investor protection mechanisms that exist in traditional financial markets may not apply to cryptocurrency trading. The prevalence of fraud and scams in the cryptocurrency space requires particular vigilance.

2.5 Leverage Risks

Leveraged trading requires particular attention and understanding. When you trade with leverage, relatively small price movements can result in substantial gains or losses relative to your margin deposit. It is entirely possible to lose more than your initial investment when trading with leverage. If your account equity falls below required margin levels, you may receive a margin call requiring immediate additional funds. If you fail to meet margin requirements, your positions may be forcibly liquidated, potentially at the worst possible time and at unfavourable prices. The use of leverage also amplifies trading costs proportionally. **You should never trade with more money than you can afford to lose.**

2.6 No Guarantee of Profits

The Company makes no guarantee of profits from trading or from the use of our products. Past performance of Expert Advisors, or any other aspect of our products, is not indicative of future results. Our products are tools designed to assist you in your trading activities; they are not guarantees of trading success. Any examples,

simulations, or historical results presented in our marketing materials or product documentation should not be construed as promises of future performance.

3. Technology and Software Risks

3.1 Software-Related Risks

All software, including our Expert Advisors and Trading Dashboard, may contain bugs, errors, or glitches that can cause unexpected behaviour. Despite thorough testing, it is impossible to guarantee that software will perform flawlessly in all conditions. Compatibility issues may arise with certain operating systems, trading platforms, or hardware configurations. Performance may degrade during periods of high market activity when processing demands are greatest. Network latency can affect the timing and execution of trades. Software updates, while generally intended to improve functionality, may occasionally introduce new issues. Conflicts with other software installed on your system may cause our products to malfunction.

3.2 Automated Trading Risks

Expert Advisors and other automated trading systems carry specific risks that you should understand. Trading algorithms are designed based on historical data and specific market conditions, and they may not adapt appropriately when market conditions change. Over-optimisation of strategies based on historical data can lead to poor performance in live trading conditions, a phenomenon known as curve-fitting. Execution failures may occur due to connectivity issues, platform problems, or broker-side issues. Software malfunctions could potentially result in runaway trades or other unintended trading activity. Strategies that performed well under certain market conditions may fail when those conditions change. Automated systems lack human judgment and cannot account for extraordinary events or news that may require a discretionary response. Without proper oversight, automated systems may continue trading even when doing so is inadvisable.

3.3 Connectivity and Infrastructure Risks

Your trading activities depend on reliable connectivity and infrastructure, which introduces various risks. Internet service interruptions can prevent you from monitoring or managing your positions. Network latency can cause delays in order execution, potentially resulting in trades being executed at different prices than intended. Disconnections may leave positions unmanaged during critical market periods. If you use a Virtual Private Server (VPS) to run your trading software, VPS failures or outages present additional risk. Firewalls, antivirus software, or other security measures may inadvertently block connections to trading servers. DNS or routing issues can prevent communication with brokers, prop firms or data providers.

3.4 Hardware and Security Risks

Hardware failures, including computer malfunctions, hard drive failures, or memory problems, can disrupt your trading activities. Operating system crashes or instability may cause your trading software to terminate unexpectedly. Power outages can interrupt trading operations unless you have backup power solutions in place. Insufficient system resources, such as RAM or processing power, may cause performance issues. Cybersecurity risks are ever-present, including the threats of malware, viruses, hacking attempts, phishing attacks, and man-in-the-middle attacks. Unauthorised access to your trading accounts or personal data could result in financial losses or identity theft.

3.5 Data and Third-Party Service Risks

Trading decisions often rely on market data, which may be inaccurate, delayed, or subject to interruptions. Historical data used for backtesting or strategy development may have limitations or inaccuracies. Data corruption can occur during storage or transmission. Inconsistencies between different data sources can lead to confusion or erroneous trading decisions. Third-party services upon which our products or your trading activities depend, such as trading platforms, brokers, prop firms payment processors, cloud providers, database solution providers, and data feeds, may experience outages, changes in functionality, or discontinuation of services.

4. Broker and Prop Firms Execution Risks

It is essential to understand that the Company is not a broker or a prop firm and does not provide brokerage or prop firm services. Your relationship with your chosen broker and prop firm is entirely separate from your relationship with us. When selecting and using a broker or a prop firm, you should be aware of various risks, including the possibility of broker or prop firm insolvency or financial difficulties, regulatory issues affecting your broker or your pro firm, variable execution quality depending on market conditions, broker or prop firm server downtime or technical issues, requotes and order rejections, and differences in trading policies and conditions.

Trade execution carries its own set of risks. Slippage, where trades are executed at prices different from those requested, is common, particularly during volatile market conditions. Requotes may occur when the requested price is no longer available. Orders may be rejected for various reasons. Partial fills may occur when there is insufficient liquidity to complete your entire order at the desired price. Delays in execution can result in trades being completed at less favourable prices. Some traders believe that certain market practices, such as stop-loss hunting, may occur, though this remains a subject of debate.

5. Regulatory and Legal Considerations

The regulatory environment for financial trading and automated trading software continues to evolve. New laws or regulations may be introduced that restrict certain types of trading, the use of automated software, or the instruments available to you. Leverage limits may be changed by regulatory authorities. Regulatory actions against brokers or prop firms may affect your trading accounts. Tax laws applicable to trading activities may change. Different jurisdictions have different regulatory frameworks, and what is permitted in one jurisdiction may be restricted or prohibited in another.

You are solely responsible for ensuring that your use of our products and your trading activities comply with all applicable laws and regulations in your jurisdiction. The Company does not provide legal advice, and you should consult with qualified legal and tax professionals regarding your specific circumstances.

Trading activities have tax implications that vary by jurisdiction. You are responsible for understanding and complying with all tax obligations arising from your trading activities. While the Merchant of Record collects applicable sales taxes on purchases of our products, you remain responsible for any taxes on trading profits or losses.

6. Important Disclaimers

6.1 No Financial Advice

The Company is not a financial advisor, and nothing in our products, services, or communications should be construed as investment/portfolio management, financial advice, financial promotions or trading recommendations. Our products, and any related educational or informational content we provide, are for informational purposes only. You are solely responsible for making your own trading and investment decisions, and you should seek advice from third party qualified financial professionals if you require guidance on financial matters.

6.2 Limitation of Liability

To the maximum extent permitted by applicable law, the Company, its affiliates, partners, management, directors, officers, employees, and the Merchant of Record shall not be liable for any trading losses, investment losses, software errors, system failures, or any other direct, indirect, incidental, special, consequential, or punitive damages arising from the use of our products or services. This limitation applies

regardless of the theory of liability and whether or not we have been advised of the possibility of such damages.

6.3 Your Responsibilities

You are solely responsible for all trading decisions you make, for verifying any information before acting upon it, for implementing appropriate risk management practices, for trading only with funds you can afford to lose, for seeking professional advice when needed, and for assuming all risks associated with trading and the use of our products.

7. Risk Management General Recommendations (Information and Education Purpose only)

While the ultimate responsibility for risk management lies with you, we offer the following information and educational recommendations based on generally accepted trading practices, which are issued without any knowledge of your actual financial situation, financial knowledge and experience, and your risk appetite. You should only trade with money that you can afford to lose without affecting your financial security or lifestyle. Appropriate position sizing relative to your account size helps manage risk effectively. The use of stop-loss orders can help limit potential losses on individual trades. However, the extend of this loss limitation could sometimes be affected by exceptional market conditions and/or price movements (i.e. spikes or gaps). Diversifying your trading strategies and instruments can reduce overall portfolio risk. Regular monitoring of your positions allows you to respond to changing market conditions. Maintaining detailed records of your trading activities supports analysis and improvement of your trading approach. Testing strategies on demo accounts before deploying them with real funds allows you to understand their behaviour without financial risk. Continuing to educate yourself about markets, trading, and risk management improves your capabilities over time.

From a technical standpoint, using a reliable VPS for automated trading can improve execution and reliability. Having backup internet connections ensures continuity in case of primary connection failure. Using an uninterruptible power supply (UPS) protects against power outages. Keeping your systems and software updated helps maintain security and functionality. Using strong passwords and two-factor authentication (when available) protects your accounts. Regular backups of your data and configurations safeguard against loss.

8. Acknowledgment

By using our products and services, you acknowledge and confirm that you have read and understood this Risk Disclaimer in its entirety, that you understand the

substantial risks involved in trading financial instruments, that you understand the technological risks associated with automated trading software, that you accept full responsibility for your trading decisions and their outcomes, that you will not hold the Company or its affiliates liable for any losses you may incur, that you are of legal age to enter into binding agreements in your jurisdiction, that you have the financial means to assume the risks described herein without undue hardship, and that you have sought or will seek third party professional advice to the extent you require it.

9. Contact Information

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Registration Number: HE 342927

Merchant of Record (Payment/Billing): Paddle

Website: https://www.paddle.com/

Support: https://www.paddle.com/help