

Ox Securities Pty Ltd (Australia) Risk Disclosure Statement

February 2025

Risk Disclosure Statement

Important Notice

This Risk Disclosure Statement outlines the key risks associated with trading Contracts for Difference (CFDs), margin foreign exchange (FX) and other derivative financial instruments with **Ox Securities Pty Ltd** ("Ox Securities", "we", "our", "us"). These products are complex and may not be suitable for all investors. You should read this statement carefully, along with the Client Account Terms and our other accessible legal documents before deciding to trade with us.

1. Leverage Risk

CFDs and FX products offered by Ox Securities are leveraged instruments. Leverage allows you to open positions significantly larger than your initial investment. While this increases the potential for profit, it equally increases the potential for loss. A relatively small market movement may result in a substantial loss, including a loss exceeding your initial deposit. You should monitor your positions closely and ensure you understand how leverage amplifies both risk and return.

2. Market Volatility

Prices in the underlying markets can be highly volatile. Economic announcements, political events and market sentiment can all cause rapid price changes. Ox Securities may experience market gapping, where price levels skip, leading to execution at prices different from your requested order levels. Such volatility can make it difficult to execute trades at expected prices and can result in higher-than-anticipated losses.

3. Margin Requirements and Position Liquidation

Ox Securities requires that you maintain sufficient margin in your account to support open positions. If the value of your account falls below the required margin level, we may issue a margin call. If you fail to meet the call promptly, we reserve the right to close all or part of your open positions without further notice. This may occur at a time or price that is disadvantageous to you. You are responsible for monitoring your account and maintaining adequate margin at all times.

4. Counterparty and Credit Risk

When you enter into a CFD or FX transaction with Ox Securities, you are contracting directly with us as counterparty, not with an exchange or clearinghouse. This creates a counterparty risk — that is, the risk that we may not fulfil our financial obligations to you. Although client funds are separated from Ox Securities funds, these protections do not eliminate all credit risk.

5. Execution and Pricing Risk

Ox Securities provides prices derived from reputable third-party liquidity providers and pricing models. In volatile or illiquid markets, prices may be delayed or execution may be unavailable. Orders may be subject to slippage, meaning they are filled at the next available price rather than your specified price. In some cases, orders may be rejected entirely.

Ox Securities will always use its best endeavours to provide a stable, transparent and efficient trading environment. We continuously monitor our systems and liquidity sources to maintain appropriate trading conditions for our clients. In the event that an execution issue arises due to a technical error or platform malfunction outside of your control and where we are at fault, we will undertake a review and address the matter accordingly. This may include adjustments to affected trades, where appropriate, in accordance with our internal policies.

6. No Ownership of Underlying Assets

Trading CFDs with Ox Securities does not involve ownership of the underlying asset. For example, trading a share CFD does not grant you voting rights or shareholder benefits. You are merely speculating on the price movement of the asset. You should understand this distinction before entering into such transactions.

7. Liquidity Risk

Certain products or markets may experience limited liquidity, especially during off-peak hours or extreme market conditions. Illiquidity may result in wider spreads, increased slippage or an inability to open or close positions when desired. Ox Securities cannot guarantee that a market will always be available or sufficiently liquid for your trade.

8. Regulatory and Legal Risk

Changes to laws, regulations or tax policies can affect your trading positions, costs or obligations. Ox Securities is regulated in Australia by the Australian Securities and Investments Commission (**ASIC**), but you are responsible for understanding the legal and tax implications of trading in your own jurisdiction. Regulatory changes may also impact product availability, leverage limits and reporting obligations.

9. Costs and Charges

When trading with Ox Securities, you may incur various costs including spreads, commissions, overnight financing (swap) fees and account-related charges. These costs are detailed on our website and trading platform, and we recommend you familiarise yourself with them prior to entering into any transactions.

All trading costs are designed to be transparent, competitive, and reflective of current market conditions. Ox Securities is committed to ensuring that our pricing structure is fair and accessible, and that clients can make informed decisions with a clear understanding of the associated costs.

10. Currency and Exchange Rate Risk

If your trading account is funded in a currency different from the instruments you trade, movements in exchange rates may affect your profits and losses. Even if the underlying trade is profitable, currency conversion losses may still occur. Ox Securities does not control currency movements and provides no guarantee against such risk.

11. Technical and Operational Risk

Trading through Ox Securities' online platforms involves technology and connectivity risks. These include hardware failure, internet outages, software glitches and cybersecurity threats. You may experience delays, system access issues or incorrect pricing. While Ox Securities implements robust security and redundancy protocols, such risks cannot be entirely eliminated. You are responsible for ensuring your own systems and internet connection are reliable and secure.

Client Responsibility and Acknowledgement

Trading CFDs and derivatives with Ox Securities involves significant risk. You should not trade unless you understand and are prepared to accept these risks. You are responsible for:

- Assessing whether trading is suitable given your financial circumstances.
- Understanding the terms and mechanics of the products offered.
- Maintaining sufficient margin and monitoring your account.
- Ensuring compliance with any applicable legal or tax obligations.

We strongly recommend you seek independent financial, legal or tax advice prior to engaging in trading activities.

By opening an account and trading with Ox Securities Pty Ltd, you acknowledge that you have read, understood and accepted the risks outlined in this document.