



Elysian Wealth Partners (PTY) LTD

Risk Disclosures Policy

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1. INTRODUCTION

This risk disclosure and warning notice, which is an appendix to the services agreement (“Agreement”), is provided to you (our Client and prospective Client) in compliance to the Financial Advisory and Intermediary Services Act 37 of 2002 as subsequently amended from time to time (“the Law”), which is applicable to Elysian Wealth Partners (PTY) LTD (“the Company” or “We” or “Us”).

All Clients and prospective Clients are strongly advised to read carefully the risk disclosures and warnings contained in this document, before applying to the Company for a trading account and before they begin to trade with the Company.

It is noted however that this document cannot, and does not, disclose or explain all the risks and other significant aspects involved when dealing in Financial Instruments. According to the Law, this notice is designed to explain in general terms the nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis.

The Client should not engage in any investment directly or indirectly in Financial Instruments unless he knows and understands the risks involved for each one of the Financial Instruments.

The Company will not provide the Client with any investment advice relating to investments or possible transactions in investments or in Financial Instruments or make investment recommendations of any kind. Prior to signing the services agreement (the “Agreement”) with the Company, or making an order, the Client should consider carefully whether investing in a specific Financial Instrument is suitable for him in the light of his circumstances and financial resources.

If the Client does not understand the risks involved, he should seek advice and consultation from an independent financial advisor. If the Client still does not understand the risks involved in trading in any Financial Instruments, he should not trade at all.

The Client should acknowledge that he/she runs a great risk of incurring partial losses or all of his initial capital as a result of the purchase and/or sale of any Financial Instrument and accept that he is willing to undertake this risk.

2. GENERAL RISKS

The Client is warned of the following general risks:

- (a) The Company does not and cannot guarantee the outcome of any investments in Financial Instruments and hence cannot guarantee the capital of the Client deposited in the trading account for trading purposes.

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(b) The Client should acknowledge that, regardless of any information which may be offered by the Company, the value of any investment in Financial Instruments may fluctuate downwards or upwards and it is even probable that the investment may not gain any value.

(c) Information of the previous performance of a Financial Instrument does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Financial Instruments to which the said information refers.

(d) Some Financial Instruments may not become immediately liquid as a result for example of reduced demand and the Company may not be in a position to sell them or easily obtain information on the value of these Financial Instruments or the extent of the associated risks.

(e) A Derivative Financial Instrument (i.e. option, future, forward, swap, Contract for Difference) may be a non-deliverable spot transaction giving an opportunity to make profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. The value of the Derivative Financial Instrument is directly affected by the price of the relevant underlying instrument.

2. THIRD PARTY RISKS

The Client is warned of the following third-party risks, which are in force unless otherwise specified in the Agreement:

(a) The Company transfers money received from the Client to a third party (e.g. a liquidity provider) to hold or control in order to effect a Transaction through or with that person or to satisfy the Client's obligation to provide collateral (e.g. initial margin requirement) in respect of a Transaction. The Company has no responsibility for any acts or omissions of any third party to whom it will transfer money received from the Client.

(b) The third party to whom the Company transfers money may hold it in an omnibus account and it may not be possible to separate it from the Client's money, or the third party's money. In the event of the insolvency or any other analogous proceedings in relation to that third party, the Company may only have an unsecured claim against the third party on behalf of the Client, and the Client will be exposed to the risk that the money received by the Company from the third party is insufficient to satisfy the claims of the Client with claims in respect of the relevant account. The Company does not accept any liability or responsibility for any resulting losses.

(c) The Company may deposit Client money with a depository who may have a security interest, lien or right of set-off in relation to that money.

(d) The Company is required to hold the Clients' money in an account that is segregated from its own money, but this may not afford complete protection in the event of default of the third party where the Client money is held.

3. TAXES

The Client is warned of the following:

- (a) There is a risk that the Client's financial gains may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances.
- (b) The Agreement or the transactions undertaken under the Agreement may be subject to tax and/or any other stamp duty in certain jurisdictions and the Company does not warrant that no such tax and/or any other stamp duty will be payable as such.
- (c) The Client is responsible for any taxes and/or any other duty which may accrue in respect of his trades.

4. TECHNICAL RISKS

The Client is warned of the following technical risks, in addition to the ones stated in the Agreement:

- (a) The Company shall be responsible for the risks of financial losses caused by failure, malfunction, interruption, disconnection or malicious actions of information, communication, and electricity, electronic or other systems.
- (b) Since the Company undertakes transactions on an electronic system, the will be exposed to risks associated with the system including the failure of hardware, software, servers, communication lines and internet failure. The result of any such failure may be that his order is either not executed according to his instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure.
- (c) The Company has no responsibility if unauthorized third persons gain access to Client information, including electronic addresses, electronic communication and personal data, access data when this is due to the Client's negligence or when the above are transmitted between the Company and the Client or any other party, using the internet or other network communication facilities, telephone, or any other electronic means or post;
- (d) The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.
- (e) At times of excessive deal flow the Client may have some difficulties to be connected over the phone or the Company's system(s), especially in volatile Market (for example, when key macroeconomic indicators are released).
- (f) The Client acknowledges that the internet may be subject to events which may affect his access to the Company's system(s), including but not limited to interruptions or transmission blackouts, software and hardware failure, internet

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disconnection, public electricity network failures or hacker attacks. Unless otherwise specified at the Agreement, the Company is not responsible for any damages or losses resulting from such events which are beyond its control or for any other losses, costs, liabilities, or expenses (including, without limitation, loss of profit) which may result from the Client's inability to access the Company's Systems or delay or failure in sending Transactions.

(g) In connection with the use of computer equipment, data and voice communication networks, the Client solely bears the following risks, amongst other risks, in which cases the Company has no liability of any resulting loss (unless otherwise specified at the Agreement): Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client. Physical damage (or destruction) of the communication channels used to link the Client and provider (communication operator), provider, and the trading or information server of the Client. Outage (unacceptably low quality) of communication via the channels used by the Client, or the channels used by the provider, or communication operator (including voice communication) that are used by the Client. Wrong or inconsistent with requirements settings of the Client Terminal. Untimely update of the Client Terminal. When carrying out transactions via the telephone (land or cell phone lines) voice communication, the Client runs the risk of problematic dialling, when trying to reach an employee of the broker service department of the Company due to communication quality issues and communication channel loads. The use of communication channels, hardware and software, generate the risk of:

- ✓ no reception of a message (including text messages) by the Client from the Company.
- ✓ Malfunction or non-operability of the trading system (platform), which also includes the Client Terminal.
- ✓ Outage (unacceptably low quality) of communication via the channels used by the Company, in particular physical damage (destruction) of the communication channels by third parties.

6. FORCE MAJEURE EVENTS

In case of a Force Majeure Event the Company may not be in a position to arrange for the execution of Client Orders or fulfil its obligations under the agreement with the Client. As a result, the Client may suffer financial loss and the Client shall accept the risk of financial loss. Refer to the Agreement for more information.

7. INSOLVENCY

The Company's insolvency or default may lead to positions being liquidated or closed out without the Client's consent. In the event of insolvency, the Client may suffer losses.

8. ABNORMAL MARKET CONDITIONS

The Client acknowledges that under Abnormal Market Conditions the period during which the Company's Orders are executed may be extended or it may be impossible for Orders to be executed at declared prices or may not be executed at all.

There may be situations, movements and/or conditions occurring at weekend, in the beginning of week or intra-day after release of significant macroeconomic figures, economic or political news that make currency markets to open with price levels that may substantially differ from previous prices. In this case, there exists a significant risk that orders issued to protect open positions, and open new positions may be executed at prices significantly different from those designated.