



Arco Assets Management Risk Disclosure and Warning Notice

1. General Information

Contracts for Difference (hereinafter “CFDs”) are complex financial instruments that carry a high level of risk due to leverage. They offer no capital protection and no guaranteed returns. Trading CFDs is not suitable for all investors. You should ensure that you fully understand the product and associated risks before opening a trading account with **Arco Assets Management**.

You should only trade with funds you can afford to lose and should be fully aware of the trading risks involved.

2. Scope of the Risk Disclosure

This Risk Disclosure and Warning Notice (“Risk Disclosure”) aims to inform clients of the general risks associated with trading CFDs through **Arco Assets Management** in a fair and non-misleading manner.

Please note that this document does not and cannot disclose or explain all the risks and considerations involved in CFD trading. It is intended to provide a general overview. Individual clients should ensure their decisions are informed and may wish to seek independent professional advice prior to trading.

This document is for informational purposes only and does not constitute marketing or solicitation. It should be read in conjunction with our Client Agreement and General Business Terms, available on our website.

3. Main Risks Associated with CFD Trading

A. Use of Leverage

CFD trading through **Arco Assets Management** involves leverage, which allows exposure to larger positions with a smaller margin deposit. While this magnifies profits, it also amplifies losses. Even small market movements can lead to substantial losses.

Retail clients are protected by negative balance protection, meaning you cannot lose more than the balance of your trading account.

Only trade with funds you can afford to lose.

B. Credit and Insolvency Risk

CFDs are over-the-counter (“OTC”) products. Positions opened with **Arco Assets Management** cannot be closed with any other entity. This creates counterparty credit risk.

If **Arco Assets Management** becomes insolvent, your positions may be closed or liquidated without your consent.

C. Market Risk

Market events, such as political instability, economic reports, policy changes, or natural disasters, can impact CFD prices. Depending on the underlying asset, you may be exposed to various market risks such as:

- Equity risk
- Commodity risk
- Interest rate risk
- Foreign exchange risk

You must carefully evaluate your investment goals and risk appetite.

D. Volatility Risk

High market volatility can lead to rapid price changes. This increases both the potential for gains and losses. Under such conditions, order execution times may be delayed.

E. Foreign Exchange Risk

If you trade CFDs in a currency different from your account’s base currency, foreign exchange rate fluctuations can impact your profits or losses.

F. Liquidity Risk

Certain underlying assets may not always be liquid. This can widen bid-ask spreads, increasing the cost of transactions and potentially making it harder to close positions at desired prices.

G. Technical Risk

Online trading carries inherent technical risks, such as:

- Internet connectivity issues
- Power outages
- Hardware/software failures
- Platform overload
- Cyber-attacks

We recommend that clients use reliable devices, secure internet connections, and up-to-date antivirus software. Always have contingency plans and do not share login credentials.

H. Trading Platform Execution Risk

All orders placed via **Arco Assets Management** are processed sequentially. Clients cannot submit a new order before the previous one is executed. Submitting multiple orders before confirmation may result in rejected or duplicate trades.

Closing a position window does **not** cancel an order.

I. Communication Risk

Clients are responsible for ensuring that their contact details are current. Failure to receive important notices due to outdated or malfunctioning contact channels may result in losses.

J. Abnormal Market Conditions & Trading Suspensions

In volatile or fast-moving markets, execution of orders (including stop-losses) may be delayed or occur at worse prices. Trading may also be suspended. Clients must acknowledge that losses under such conditions may exceed expected amounts.

K. Force Majeure

Arco Assets Management shall not be liable for financial losses due to events beyond our control, such as:

- Natural disasters
- Political unrest
- Terrorist attacks
- Systemic failures
- Regulatory actions

These “force majeure” events may disrupt trading services or execution.

L. Slippage

Slippage refers to the difference between the intended execution price and the actual price. It can occur during high volatility and may result in positive, negative, or neutral price adjustments.

M. Jurisdictional Risk

It is your responsibility to ensure CFD trading is not restricted in your country of residence. **Arco Assets Management** is not liable for trades executed in prohibited jurisdictions.

N. Third-Party Risk

We may hold client funds with third-party financial institutions. While we exercise due diligence in selecting such parties, **Arco Assets Management** does not accept liability for any losses due to third-party insolvency or similar events.

4. Additional Disclosures

Margin Requirements

Clients must maintain sufficient margin in their accounts at all times. Failure to do so may result in automatic position liquidation. Do not rely on last-minute deposits.

No Ownership of Underlying Assets

CFDs do not grant ownership or rights to the underlying assets (e.g. dividends or voting rights).

Taxation

Clients are responsible for understanding and complying with their local tax obligations. **Arco Assets Management** does not provide tax advice.

Impersonation Risk

Clients should beware of fraud or impersonation. Only interact with verified representatives using our official contact details. Do not share personal or account information with unauthorized persons.

5. Final Notes

Before trading with **Arco Assets Management**, you must carefully assess your financial situation, investment goals, and risk tolerance. Seek independent financial, legal, or tax advice if needed.

If you have any questions about this Risk Disclosure or our products, contact our support team at **support@arcoassets.com**.