

RISK DISCLOSURE STATEMENT

*in terms of section 7(1)(c)(xiii) of the General Code of Conduct
for Financial Services Providers (Board Notice 80 of 2003, as amended)*

FSP Name:	CompliShield Financial Group
FSP Licence Number:	53590
Document Version:	01

1. INTRODUCTION AND PURPOSE

This Risk Disclosure Statement is issued by CompliShield Financial Group (pty) LTD (FSP licence number 53590) (hereinafter referred to as "the FSP") in compliance with section 7(1)(c)(xiii) of the General Code of Conduct for Authorised Financial Services Providers and Representatives (Board Notice 80 of 2003, as amended by Board Notice 706 of 2020) ("the Code").

The FSP is an authorised Financial Services Provider with FSP license number: 53590, duly established and doing business under the laws of the Republic of South Africa and is the holder of a Category I FSP license, issued by the Financial Sector Conduct Authority (hereinafter referred to as "the FSCA"), and as such is duly authorised to render Intermediary Services of a nondiscretionary nature in the various categories and subcategories (hereinafter referred to as "the Services").

The FSP will only act in its capacity as Intermediary as defined in the Financial Advisory and Intermediary Services Act, 37 of 2002 (hereinafter referred to as the "FAIS Act").

The FSP is authorised to act as intermediary, with the Clients being the Principal Counterparty to the ODP Provider in respect of CFD Transactions executed under their Client Agreement.

The ODP Provider, AT Global Markets SA (PTY) LTD, incorporated and validly existing under the laws of South Africa with FSP license number 44816 and a licensed OTC Derivatives Provider whose registered office at 1020 Manhattan Place, 130 Bree Street Cape Town, 8001, South Africa will act as Principal Counterparty to the Client Agreement in respect of all CFD transactions.

The ODP Provider is duly authorized and regulated in South Africa by the Financial Sector Conduct Authority (hereinafter referred to as "the FSCA") and will be the Client's sole counterparty to trades in terms of the Client Agreement.

The purpose of this document is to provide clients and prospective clients with a clear and comprehensive disclosure of the general risks associated with the financial products and services offered. This disclosure supplements, but does not replace, any product-specific risk disclosures that may be provided separately.

Clients are urged to read this document carefully and to seek independent professional advice where the risks disclosed herein are not fully understood. The FSP is available to explain any aspect of this disclosure upon request.

2. GENERAL INVESTMENT RISKS

All financial products carry inherent risks. The value of any investment may fluctuate and past performance is not indicative of future performance. There is no guarantee that the investment objectives of any financial product will be achieved. The following general risks apply to all or most financial products offered by the ODP Provider:

2.1 Market Risk

The value of financial products may be affected by fluctuations in financial markets, including changes in equity prices, interest rates, exchange rates, commodity prices and other market variables. Market conditions may be influenced by economic conditions, political events, regulatory changes, natural disasters, pandemics and other factors beyond the control of the Provider.

2.2 Credit and Counterparty Risk

There is a risk that an issuer of a financial product, a counterparty to a transaction, or a party providing a guarantee may default on its obligations. This may result in a partial or total loss of the investment or anticipated returns.

2.3 Liquidity Risk

Certain financial products may not be readily realisable or may only be realisable at a significant discount to their fair value. Market conditions may reduce the ability to sell or exit a position at the desired time or price. During periods of market stress, liquidity may diminish significantly.

2.4 Currency Risk

Where a financial product is denominated in a currency other than the South African Rand, or where the product has exposure to foreign currency, exchange rate fluctuations may adversely affect the value of the investment when converted to or measured in Rand.

2.5 Interest Rate Risk

Changes in interest rates may adversely affect the value of financial products, particularly fixed-income instruments. Rising interest rates generally reduce the market value of existing fixed-rate instruments, while declining rates may reduce income from variable-rate products.

2.6 Inflation Risk

The real value of investments and returns may be eroded by inflation. There is no guarantee that returns on any financial product will exceed the rate of inflation over any given period.

2.7 Concentration Risk

Inadequate diversification of investments may expose a client to disproportionate losses in the event that a particular asset class, sector, issuer or geographic region experiences adverse conditions.

2.8 Regulatory and Legislative Risk

Changes in laws, regulations, tax treatment or regulatory policy may adversely affect the value, tax efficiency or continued availability of financial products. The South African regulatory environment is subject to ongoing reform, including under the Financial Sector Regulation Act, 2017 and the anticipated Conduct of Financial Institutions Act.

2.9 Operational Risk

Losses may arise from failures in internal processes, systems, human error, fraud or external events affecting the Provider, product suppliers, platform providers or other service providers in the investment chain.

2.10 Tax Risk

The tax treatment of financial products is subject to change and may depend on individual circumstances. Capital gains tax, income tax, dividends tax and other fiscal obligations may apply. Clients are advised to consult a registered tax practitioner regarding the tax implications of any investment.

3. PRODUCT-SPECIFIC RISKS

The FSP is authorised under a Category I Financial Services Provider licence to provide intermediary services in respect of Shares and Derivatives. The following product-specific risk disclosures apply to the financial products offered by the Provider.

3.1 Shares

Investments in shares carry the risk of partial or total loss of capital. The price of shares is influenced by company-specific factors, including but not limited to earnings performance, corporate governance events, changes in management, regulatory action against the issuer, dividend policy changes, and dilution through the issue of new shares. Shares are also subject to broader market risk, sector risk and systemic risk. Clients should be aware that:

(a) equity markets can experience significant and sudden price movements, and there is no guarantee that the price of any share will recover following a decline;

(b) shares in smaller or less liquid companies may be subject to greater price volatility and may be more difficult to exit at a fair price; and

(c) where shares are held as underlying references in derivative instruments, the client does not hold the underlying share, has no shareholder rights, and is exposed solely to the price movement of the reference asset.

3.2 Contracts for Difference (CFDs)

CFDs are complex, leveraged over-the-counter ("OTC") derivative instruments that allow clients to speculate on the price movements of underlying reference assets — including shares, indices, currency pairs, commodities and interest rates — without taking ownership of the underlying asset. CFDs are not standardised exchange-traded instruments and are entered into directly with the Provider as counterparty.

Clients should be aware that CFDs carry a high level of risk and are not suitable for all investors. In particular:

(a) Leverage risk: CFDs are traded on margin, meaning that a relatively small initial deposit controls a significantly larger market exposure. While leverage can magnify profits, it equally amplifies losses, which can exceed the initial deposit;

(b) Margin call risk: If the equity in a client's account falls below the required maintenance margin level, a margin call may be issued requiring the client to deposit additional funds at short notice. Failure to meet a margin call may result in the forced closure of one or more positions;

(c) Negative balance risk: In fast-moving or gapping markets, losses may exceed the total funds held in the client's account.

(d) Counterparty risk: As CFDs are OTC instruments, the client is exposed to the ODP Provider as principal counterparty. The performance of the contract is dependent on the financial soundness and operational continuity of the ODP Provider;

(e) Overnight financing charges: CFD positions held open beyond the daily cut-off time are subject to overnight financing costs (swap or rollover charges), which accrue daily and may represent a significant cost over time, particularly for longer-held positions;

(f) Gapping and slippage: In volatile market conditions, prices may gap through stop-loss levels, meaning that orders may be executed at a price materially worse than instructed. Stop-loss orders do not guarantee limitation of losses to the specified level;

(g) Hedging limitations: A CFD position intended to hedge an underlying investment may not perfectly offset losses in the underlying asset due to pricing differences, execution delays or basis risk; and

(h) Short selling risk: Where a client holds a short CFD position, potential losses are theoretically unlimited, as there is no ceiling on how high the price of the underlying reference asset may rise.

4. LEVERAGE AND GEARING RISKS

Where financial products involve leverage or gearing (including but not limited to over-the-counter derivatives, contracts for difference and margin lending), clients should be aware that:

- (a) leverage amplifies both gains and losses, meaning that a relatively small market movement may result in a proportionally larger movement in the value of the position;
- (b) the client may sustain a total loss of the initial margin deposited and may be required to deposit additional funds at short notice to maintain the position ("margin call");
- (c) in certain market conditions, losses may exceed the initial margin deposited, resulting in the client owing amounts in excess of their original investment;
- (d) the ODP Provider may close out positions without prior notice if margin requirements are not met; and
- (e) the use of stop-loss orders may not limit losses to the intended amount due to market gapping or slippage.

5. RISKS OF ELECTRONIC TRADING

Where the ODP Provider offers electronic or online trading platforms, clients should be aware that:

- (f) electronic trading systems are subject to interruptions, delays, system failures and cyber security risks;
- (g) price feeds may be delayed or inaccurate due to system malfunctions or connectivity issues;
- (h) execution of orders may be delayed, and the executed price may differ from the price displayed at the time the order was placed;
- (i) the ODP Provider is not liable for losses arising from system failures, interruptions or errors beyond its reasonable control; and
- (j) clients are responsible for maintaining appropriate hardware, software, internet connectivity and security measures to access and use the platform.

6. NO GUARANTEE OF RETURNS

Neither the FSP and the ODP Provider guarantee the capital invested or any particular rate of return on any financial product. Unless a guarantee is explicitly stated by the product supplier in writing and disclosed to the client, all investments are subject to market risk and the potential for loss.

Any illustrations, projections or forecasts provided are hypothetical in nature and do not constitute a guarantee or promise of future performance. Actual results may differ materially from any projections.

7. IMPORTANCE OF PROFESSIONAL ADVICE

Clients are encouraged to obtain independent legal, tax and financial advice before making investment decisions. The Provider will conduct a suitability assessment in terms of section 8 of the Code prior to providing advice, but clients retain ultimate responsibility for their investment decisions.

8. REGULATORY PROTECTIONS AND RECOURSE

The FSP is licensed and regulated by the Financial Sector Conduct Authority ("FSCA"). Clients who are dissatisfied with the services of the Provider may lodge a complaint in terms of the Provider's Complaints Handling Procedure, a copy of which is available on request and on the Provider's website.

If a complaint is not resolved to the client's satisfaction, the client may refer the matter to:

The FAIS Ombud:

	FAIS OMBUD
Physical Address:	Menlyn Central Office Building, 125 Dallas Avenue, Waterkloof Glen, Pretoria 0010
Postal Address:	PO Box 41, Menlyn Park, 0063
Telephone:	012 762 5000 / 086 066 3274
Email:	info@faisombud.co.za

The FSCA:

- **Contact Centre:** 0800 20 37 22
- **Address:** 41 Matroosberg Rd, Ashlea Gardens, Pretoria, 0002

9. CLIENT ACKNOWLEDGEMENT

By proceeding to utilise the financial services and/or acquire the financial products offered by the Provider, the client acknowledges that:

- (k) this Risk Disclosure Statement has been provided to the client at the earliest reasonable opportunity prior to the rendering of a financial service;
- (l) the client has read, understood and accepted the risks disclosed herein;
- (m) the client has been afforded the opportunity to seek independent professional advice;
and
- (n) the client accepts that this disclosure does not purport to disclose all risks associated with every financial product and that product-specific risk disclosures may be provided separately.