



Risk Disclosure Statement

1. Introduction

Tradeplace Limited (the “**Company**” and/or “**Us**” and/or “**We**”) is a limited liability Company incorporated in the Republic of Cyprus with registration number HE434666. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (the “**CySEC**”) to operate as a Cyprus Investment Firm (the “**CIF**”) under the license number 455/25 and operates under the brand names <https://investing.one/>.

2. Scope and Applicability

This Risk Disclosure Statement (the “**Statement**”) is provided to our clients and/or potential clients (the “**Customer**” and/or “**you**”) in accordance with the relevant laws and regulations governing our activities as a regulated CIF. This Statement forms an integral part of our Terms and Conditions/Client Agreement (the “**Agreement**”) which are available here, therefore should be read in conjunction with the said Agreement. Definitions, words and expressions used in this Statement have the same meaning as provided in our Agreement.

As a prerequisite of opening an account with Us, you must first agree to our Agreement. By doing so, you also agree to the terms of this Statement, which is provided to you before the provision of any services. Hence, please ensure that you have carefully read and understood the risk disclosures and warnings contained herein regarding the financial instruments offered by Us for trading.

Without prejudice to the abovesaid, this Statement may not include all risks and other significant aspects involved when trading financial instruments. This Statement has been drafted in such a manner to provide you with a fair and comprehensive indication of the risks, which the Company considers to be as the most important ones. In this respect, you should not engage in trading financial

instruments, unless you understand their nature and the extent of your own exposure to risk. It should also be cautiously considered whether such trading is appropriate for you given your personal circumstances, financial situation, knowledge, experience, investment objectives, and other relevant circumstances.

Where the Company would agree trading transferrable securities, exchange traded funds (the “**ETFs**”), exchange traded commodities (the “**ETCs**”), and exchange traded notes (the “**ETNs**”) with the Customer, you will in turn acknowledge, understand and agree to the provisions of this Statement.

3. General Risks

3.1. Historical Prices are no indication of Future Prices:

The historical movement of prices does not give a reliable indication of the movement of prices in the future. Past performance is not a reliable indicator of future results / performance, and you should understand that market trends can vary significantly over time.

3.2. Expert / Professional Advice:

In the instance where you have any doubts in relation to the trading and the risks involved, as summarized within this Statement, you should in any case seek independent expert / professional advice before commencing trading with Us. The Company does not provide such services.

3.3. Internet Trading

When the Customer trades online (via the internet), the Company shall not be liable for any claims, losses, damages, costs or expenses caused, directly or

indirectly by any malfunction, disruption or failure of any transmission, communication system, computer facility or trading software, whether belonging to the Company, Customer, any exchange or any settlement or clearing system.

3.4. Quoting Errors

Should a quoting error occur (including responses to Customer requests), the Company is not liable for any resulting errors in account balances and reserves the right to make necessary corrections or adjustments to the relevant Account. Any dispute arising from such quoting errors will be resolved based on the fair market value, as determined by the Company in its sole discretion and acting in good faith, as well as on the relevant market at the time such an error occurred. In cases where the prevailing market presents prices different from the prices the Company had posted on its screen, the Company will attempt, on a best-efforts basis, to execute Transactions on or close to the prevailing market prices. These prevailing market prices will be the prices which will ultimately be reflected on the Customer statements. This may or may not adversely affect the Customer's realized and unrealized gains and losses.

3.5. Abnormal Market Conditions

The Customer acknowledges that, under abnormal market conditions the period during which the orders are executed may be extended or it may be impossible for such orders to be executed at declared prices or may not be executed at all.

3.6. The Company is not an adviser or a fiduciary to customer

Where the Company provides generic market recommendations, such generic recommendations do not constitute a personal recommendation or investment advice and have not considered any of your personal circumstances or your investment objectives, nor is it an offer to buy or sell, or the solicitation of an offer to buy or sell any financial instruments. Each decision of the Customer to enter a transaction with the Company, and each decision as to whether a transaction is appropriate or proper for the Customer is an independent decision

made by the latter. The Company is not acting as an advisor or serving as a fiduciary to the Customer. The Customer agrees that the Company has no fiduciary duty to the Customer and no liability thereof, and is not responsible for any liabilities, claims, damages, costs and expenses, including attorneys' fees, incurred in connection with the Customer, following the Company's generic trading recommendations or taking or not taking any action based on any generic recommendation or information provided by the Company.

3.7. Recommendations are not guaranteed

The generic market recommendations provided by the Company are solely based on the Company's personnel judgment and should be considered as such. The Customer acknowledges that any Transactions entered are based on the Customer's own judgment. Any market recommendations provided are generic only and may or may not be consistent with the market positions or intentions of the Company and/or its affiliates. The Company's generic market recommendations are based upon information believed to be reliable, but the Company cannot and will not guarantee their accuracy or completeness thereof or represent that, following such generic recommendations, will reduce or eliminate the risk inherent in trading in financial instruments offered by the Company.

3.7. No guarantees of profit

There are no guarantees of profit nor of avoiding losses when trading financial instruments, such as transferable securities, ETFs, ETCs and ETNs. The Customer has received no such guarantees from the Company or from any of its representatives. The Customer is aware of the risks inherent in such financial instruments and is financially able to bear such risks and withstand any losses incurred.

4. Risks related with Transferable Securities (Private Equity – Stocks)

4.1. Reduction in market prices

Changes in market price could have a considerable impact on the profitability of the respective company. Specifically, shares/stock prices may be very unpredictable, which are influenced by several outside factors (e.g. economic, geographical, political, social, etc.). Hence, in the event of market declination, the equity prices and the value of the securities will be affected, which in turn will also reduce the profits of the said company.

4.2. Declining Performance and Growing Size Risk

Trading large positions may adversely affect both prices and performance, since the execution of a large order may break the price equilibrium and result in large losses. In addition, there can be no assurance that appropriate investment opportunities will be available to accommodate future demands.

4.3. Short Selling Shares / Shares Lending

This would involve you borrowing shares (facilitated by the Custodian) which you do not own and selling them in the relevant market and collecting the appropriate proceeds. If the price of such shares subsequently falls, you will be able to buy an equal number of shares in the market, deliver them to the lender to discharge your original borrowing of shares and retain a profit representing the difference between the price of the original sale less the price of the subsequent purchase. Such speculation involves a theoretically unlimited risk if the price of the shares you have sold continues to rise. In such as case, the higher cost to purchase the shares you have sold could result in your investment realizing a very substantial loss. Also, Shares Lending creates an exposure to counterparty credit risk

whereby the borrower may become insolvent and/or that the value of collateral provided may fall below the cost of replacing the shares that been lent.

4.4. Price Volatility Risk

Volatility refers to unpredictable changes in the price of shares/stocks, which may either appreciate or decline rapidly. Your investments could experience periods of long volatility, whereas others can move dramatically in a short period of time. As a result, any expected investment return may vary and be positive or negative depending on when you buy and sell.

4.5. Currency / Exchange Risk

Currency risk applies when you own foreign investments, are associated with international transactions, and invest in overseas markets. Specifically, it is the risk of losing money/profit due to an unforeseen movement in the exchange rate. Also, there may an uncertainty of returns if you purchase shares/stocks in a currency different from your domestic currency. Generally, declining exchange rates may reduce the value of investments in foreign currencies.

4.6. Liquidity Risk

Liquidity risk indicates that you might be unable to readily buy or sell a transferable security in the share market and/or difficult to sell at a price equal to or greater than the transaction price at a point in time you may wish to sell. Such an event could lead to sizable bid-ask spread and high price fluctuations. The said risk mainly relates to market inefficiency or asset liquidity.

4.7. Dividend Risk

The dividend per share is contingent upon the issuing company's earnings/profits and its dividend policy. Both dividend payments and an increase in the value of the share are possible but not guaranteed. Specifically, periods of economic difficulty may interfere with any dividend payments. In the instance of profits or losses, dividend payments may accordingly be reduced or even not paid.

4.8. Company Risk

Investing in transferable securities (e.g. shares) carries the risk that the respective company may be unable to fulfill its commitments, which in turn may result in the loss of the value of the said securities. It is difficult to predict and/or forecast the precise yield of such an investment. For example, the total sums invested may be lost in the event where the relevant company went bankrupt. Holders of ordinary shares are the last to be paid in the event of a company becoming insolvent.

4.9. Legal and Compliance Risk

Investing in transferable securities may be subject to legal, regulatory and taxation rules, which may have an impact on their profitability in various instances such as, where there is an amendment to the law, including taxation and other applicable rules with implications on the return of the transferable securities invested.

4.10. Termination of Listing Risk

An issuer of shares may decide to terminate and/or suspend and/or de-list the respective shares listed or admitted to trading, in line with any applicable rules and regulations. Consequently, this may reduce the liquidity or reduce the value of the said shares.

4.11. Dealing/administration costs

Commission and charges levied by Us or third parties will reduce potential profit You can make or increase the level of loss. Before you start trading, you should understand all commissions and other charges for which you will be liable, as these are summarised within the Agreement and Costs and Charges document available within our website ([here](#)).

5. Risks related with Fractional Investments

Fractional shares investing allows you to purchase securities in monetary amounts rather than share quantities. This means that you will acquire a portion of a share that is less than one full share, which entitles unique features, risks and limitations, as these are summarised below:

5.1. Liquidity Risk

When intending to accumulate fractional investment, investment firms usually wait to accumulate enough fractional orders in order to be able to buy an entire share. Additionally, fractional shares are not usually in high demand, thus buying or selling fractional shares may take longer to do so. Consequently, fractional shares may not be traded as frequently or as rapidly as whole shares. Therefore, this results in the possibility of not having immediate asset liquidity for fractional shares. This can also lead to prices been moved more than anticipated when placing the order.

5.2. Execution Risk

Tradeplace will comply in all respects with “best execution” on all orders executed through the Online Facility in line with its Applicable Regulations. This means that execution will be based on a price no worse than the prevailing bid/offer on the reference exchange as of the time of your order, for all full share and fractional share components of a transaction. Any Order greater than one share that includes a fractional share component might be executed in a mixed

capacity. Tradeplace will act in either a principal or matched principal capacity with respect to the fractional share components of the transaction.

If you enter an Order solely for a fractional share, Tradeplace will execute your trade over-the-counter, matching it internally based on a price no worse than the prevailing bid/offer on the reference exchange as of the time of your order. Orders entered outside of regular trading hours cannot be executed.

5.3. Rounding Risk

Tradeplace rounds all fractional holdings to nine decimal places. For all notional based Orders, your transaction will never exceed the order amount. Rounding may also affect your ability to be credited for cash dividends, stock dividends and stock splits. For example, if you own 0.000000002 shares of stock that pays a one cent dividend per-share, we will not credit your cash balance 2 fractions of a cent. In carrying out rounding, we will use reasonable endeavors to get as close as possible to your Order, however, we shall not be liable for any loss or damage suffered or incurred by you arising out of or in connection with such rounding, save to the extent directly attributable to our negligence, fraud, willful default, breach of contract or breach of the applicable regulation.

5.4. Transfer Risk

Due to the nature of a fractional share, you will be allotted the proportionate value of a share you have invested in, rather than the whole of the share itself. As you will not be entitled to the whole share itself, the relevant fraction only exists within our platform and you will not be in a position to transfer out the fractional investment. Thus, if you wish to transfer their acquired fractional shares to another investment firm, this will not be possible and instead the fractional shares / securities would need to be liquidated prior to the transfer. Such liquidation may in turn result in tax and commission charges.

5.5. Limited Selection Risk

Not all stocks are available for fractional investments. Thus, when buying fractional shares, you may not be able to choose from as many companies as one could if they were buying whole shares.

5.6. Entitlement Risk

If you hold fractional entitlements, you will have the sole beneficial interest to the entitlement. Any dividend payable to you will be on a pro-rata basis to reflect your fractional entitlement (we will hold these on your behalf in line with the CySEC Regulations).

5.7. Voting Rights Risk

Due to the nature of fractional shares, you will not be able to incur voting rights for any fractional shares in your accounts and thus, you will not be able to undertake voluntary elections on any corporate action or corporate matters.

6. Risks related with ETFs

Investing in ETFs:

ETFs are funds that are traded on exchange and may be exposed, among others, to the following risk factors:

6.1. Market Risk

Considering that ETFs are a basket of assets, the relevant investor might be exposed to the market risk of the underlying assets, since they may fluctuate in value. The key is to know what the ETF is tracking and understand the underlying risks associated with.

6.2. Tracking Error Risk

The goal of an ETF is to track an index, which should technically deliver a similar amount of return as the index itself; however, discrepancies may be created. The

difference between the return or performance an investor received and that of the target index constitutes the so-called 'tracking error'.

6.3. Tax Risk

The tax treatment of an ETF and tax charges could affect and impact your investment, thus, any of your respective returns. Investors trading with ETFs should be particularly cautious to what the ETFs is investing in, the location of such investments and how the ETF itself is structured.

6.4. Derivatives Risk

ETFs that use derivatives to replicate an asset or an index are subject to risks. For example, some ETFs may use some types of OTC derivatives that are not subject to a central counterparty clearing arrangements, therefore, being exposed to a higher counterparty risk.

6.5. Liquidity Risk

ETFs may invest in assets that are not liquid, thus, making them susceptible to liquidity risk. Their liquidity is based on and affected by the liquidity of the underlying asset or basket of assets, whereas trading volume is influenced by the activity of investors. Thus, where the markets of the said underling/basket of assets become illiquid, it is likely that the ETF product itself will also become illiquid. Also, the low liquidity of an ETF may lead to higher trading costs or difficulty in buying or selling the relevant ETF.

6.6. Underlying Asset Risk

Investors trading ETFs are exposed to any type of risk associated with the underlying basket of investments. For example, an underlying asset may be

exposed to credit, default, interest-rate risks, which in turn will inevitably affect the ETF invested.

7. Compensation

The Company participates in the Investor Compensation Fund for clients of Investment Firms regulated in the Republic of Cyprus. Retail Customers will be entitled to compensation under the Investor Compensation Fund where We are unable to meet our duties and obligations arising from your claim. Any compensation provided to you by the Investor Compensation Fund shall not exceed twenty thousand euro (EUR 20.000) or 90% of the Retail Customer's justifiable claim, whichever is lower. This applies to your aggregate claims against Us, in case you have been classified as a Retail Customer, based on our Client Categorisation Policy, which is available [here](#). For further details, please refer to our Investor Compensation Fund Policy, which is also available within our website.

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