
MULA MARKETS (PTY) LTD

FSP 53319

Suite 38, 5th Floor, Katherine & West, 114 West Street, Sandton, 2196, South Africa

WWW.MULA.CO.ZA

RISK DISCLOSURE STATEMENT

1. INTRODUCTION

This Risk Disclosure Statement explains what you need to know about the products offered via MULA MARKETS (PTY) LTD ("Mula", "the Company", "we", "us", "our"). It is designed to provide you with the information you need to determine whether the products available through Mula are appropriate for your personal objectives, financial situation, and needs, by explaining the risks, rights and obligations associated with those products.

2. ROLES AND RELATIONSHIP OF THE PARTIES

Mula Markets (Pty) Ltd is an authorised Financial Services Provider registered with the Financial Sector Conduct Authority (FSP 53319) in South Africa. Mula does not offer advisory, portfolio management, or execution services and does not act as a market maker. Mula's role is limited to marketing and intermediary services in relation to the products described in this document.

All client accounts, trades, and transactions are conducted with AT Global Markets SA (Pty) Ltd, trading as ATFX Connect, an authorised Financial Services Provider (FSP 44816) and licensed OTC Derivatives Provider (ODP) under South African law, with its registered office at Office 1801B, 18th Floor, Portside Tower, 4 Bree Street, Cape Town, 8001, South Africa ("the ODP Provider"). The ODP Provider acts as Principal Counterparty to the Agreement in respect of all CFD transactions. Mula does not issue financial products and does not provide execution or dealing services.

3. RISK WARNING AND IMPORTANT CONSIDERATIONS

Trading in OTC Derivatives is not suitable for all investors and involves the risk of significant loss as well as potential for profit. Any losses you sustain may substantially exceed the amount of your initial deposit. Movements in the price of the margin contract's Underlying Asset (e.g., foreign exchange rates, commodity prices, or indices) are influenced by a variety of unpredictable factors of global origin. Violent movements in the price of the Underlying Asset may occur in the market, as a result of which you may be unable to settle adverse trades. Neither Mula nor the ODP Provider is able to guarantee a maximum loss that you may suffer from your trading activities.

OTC Derivative products are considered speculative products which are highly leveraged and carry significantly greater risks than non-g geared investments. You should not invest in OTC Derivative products unless you properly understand the nature of OTC Derivative products and you are comfortable with the risks.

Engaging in CFDs in Currency Pairs, Equity Indices, Metals and Commodities (in this notice referred to as a 'Transaction') carries a high degree of risk to your capital. You should not engage in this form of investing unless you fully understand the nature of the Transaction you are entering into and the true extent of your exposure to the risk of loss. Your profit and loss will vary according to the extent of the fluctuations in the price of the underlying markets on which your Transaction is based.

Trading in OTC Derivatives is not suitable for all investors and involves the risk of significant loss as well as potential for profit. You should, therefore, consider carefully whether they are suitable for you in the light of your circumstances and financial resources and investment objectives.

4. KEY CONSIDERATIONS TO ENGAGE IN DERIVATIVE PRODUCTS

In considering whether to engage in this form of investing, you should be aware of the following:

4.1 LEVERAGE

The high degree of "leverage" or "gearing" (i.e., the funds required at the outset, compared with the size of the trade you can place) is a particular feature of this type of Transaction. Therefore, a relatively small movement in the underlying market can have a disproportionate effect on your Transaction.

If the underlying market movement is in your favour, you may achieve a good profit, but an equally small adverse market movement cannot only quickly result in the loss of your entire deposit but may also expose you to a large additional loss over and above your initial deposit.

In particular, your losses may be unlimited, and no deposit or other amount you have paid will limit your losses.

If you decide to engage in Margined CFD trading, you must accept this degree of risk.

You may be called upon to deposit substantial additional margin, at short notice, to maintain your position(s).

If you do not provide such additional funds within the time required, your position(s) may be closed at a loss, and you will be liable for any resulting deficit.

If you are in any doubt regarding these products, you should seek independent professional advice.

4.2 MARGINED CFDs

The purpose of a Margined CFD Transaction is to secure a profit or avoid a loss in reference to fluctuations in the price of the underlying asset or an index (the "Underlying Market"). The Underlying Market may be a securities index, an exchange rate between two currencies, CFDs on gold, silver, oil, or such other instrument as the ODP Provider may from time to time agree in writing. It is an express term of each CFD Transaction that neither you, Mula, nor the ODP Provider:

- acquires any interest in or right to acquire, or is obliged to sell, purchase, hold, deliver, or receive, the Underlying Market; and
- that the rights and obligations of each party under the CFD Transaction are principally to make and receive such related payments.

4.3 MARGIN REQUIREMENT

The ODP Provider reserves the right to adjust margin requirements for any product offered. This may result in your margin requirement increasing and you may therefore be required to deposit additional funds to maintain existing positions.

4.4 POSITION MONITORING

It is your responsibility to monitor your account.

Should the net value of the account (cash plus running profits minus running losses) fall below the margin required, the ODP Provider may close some or all of your trades, at the current market price.

This should not, however, be taken as a guarantee, and it is your responsibility to ensure that sufficient funds are on your account at all times.

4.5 MARKET RISK

Margined CFD trading relies on the price movement of underlying financial products. You are therefore exposed to similar, but magnified, risks to holding the underlying assets. In some cases, risks will be greater.

Placing a stop loss order may limit your loss but this is not guaranteed, as your losses may be greater in some circumstances. Slippage occurs when a stop loss does not get filled at the exact order price but slips to a higher or lower price. This may be because the particular Underlying Market has become unusually volatile for a period of time. Where this happens a stop loss may not be effective, and your position will be closed at the current available price.

Gapping is when a particular market jumps significantly, resulting in your stop loss being missed and your trade closed at a much higher or lower price than intended. Accordingly, where you have an open position in a volatile market environment you must understand the potential impact of these events, as you could be filled at the next available price.

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement, if the price rises or falls in one trading session to such an extent that trading is restricted or suspended.

At market opening and closing times, and prior to announcements, the market spread may widen substantially. Consequently, you must ensure that you have sufficient funds on your account to cover this eventuality.

Where you are trading a product denominated in a currency different to that in which you hold your account, fluctuations in the exchange rate will affect your profit and loss potential.

4.6 CREDIT

No credit is extended to you. Neither a Variation Margin credit allocation, nor an Initial Margin credit allocation, constitutes a credit facility.

4.7 COUNTERPARTY

The ODP Provider, AT Global Markets SA (Pty) Ltd, trading as ATFX Connect (FSP 44816), is the Principal Counterparty to all your CFD trades. Mula is not a party to your trades and does not act as counterparty, market maker, or execution venue. None of the products are listed on an exchange, nor can any rights, benefits or obligations be transferred to anyone else.

While the ODP Provider undertakes to provide best execution and to act reasonably and in accordance with its published Terms of Business, Margined CFDs opened on your account must be closed with the ODP Provider, based on its prices and on the terms and conditions you have contracted to.

4.8 SEGREGATED ACCOUNTS

The ODP Provider is required to hold client funds in one or more segregated accounts with approved financial institutions, in accordance with the Financial Advisory and Intermediary Services Act 37 of 2002 and the applicable requirements of the Financial Sector Conduct Authority governing OTC Derivatives Providers. Client funds are kept separate from the ODP Provider's own money and are not used in the course of its own business, although client funds may be pooled together with the funds of other clients in an omnibus account.

Segregation does not eliminate risk. Some or all of your funds may be transferred to the ODP Provider's liquidity providers and other counterparties, as collateral in connection with hedging or executing your trades. Where your funds are transferred to a third party in this way, you are exposed to the credit and insolvency risk of that third party. In the event of the insolvency, or any other analogous proceedings, of such a third party, the ODP Provider may only have an unsecured claim against that third party on your behalf, and there is a risk that the amount recovered will be insufficient to satisfy your claim in full.

While the ODP Provider monitors the creditworthiness of its banking partners and counterparties closely and selects them on the basis of robustness and solidity, this does not mean that they are risk-free.

4.9 TAX

You take the risk that your trades and any related profits may be or become subject to tax.

You are responsible for all taxes in respect of your trades. Neither Mula nor the ODP Provider provides tax advice to clients, and you are responsible for your own tax affairs. You should obtain financial, legal, taxation and other professional advice as necessary prior to entering into an OTC Derivative transaction to ensure it is appropriate for your objectives, needs, and circumstances. The taxation consequences of OTC Derivative transactions can be complex and will differ for everyone's financial circumstances. Your tax adviser should be consulted prior to entering into an OTC Derivative transaction.

4.10 COMMISSION AND SPREADS

You should obtain details of all commissions and other charges for which you will be liable, prior to trading. Where charges are not expressed in money terms (such as a bid-offer spread), you should obtain a clear explanation of what such charges are likely to mean in specific money terms.

When commission is charged as a percentage it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment.

Some types of trades you make may require you to pay financing costs. Trades in currencies different to your base currency may require you to convert those foreign currencies to your base currency. The combination of overnight financing and foreign exchange costs may exceed any profits on your trades or increase the losses that you may incur on your trade.

4.11 APPROPRIATENESS

We recommend that you seek independent advice to ensure the products are appropriate for your particular financial objectives, needs, and circumstances.

Nothing in this Risk Disclosure Statement should be considered a recommendation to trade in OTC Derivatives or any other financial instruments.

Neither Mula nor the ODP Provider guarantees the investment performance of OTC Derivative products or the investment performance of the Underlying Assets. Past performance is no indication or guarantee of future performance.