

1. Introduction

Revolut Trading Ltd (“we”, “us”, “our” or “**Revolut Trading**”) is authorised and regulated by the Financial Conduct Authority (“**FCA**”) in the United Kingdom (“**UK**”).

The key services we provide to our customers include the reception and transmission of orders and the execution of client orders in relation to the below listed financial instruments. We refer to this service as the “**investment service**”.

Revolut Trading provides the investment service exclusively via the ‘Invest’ tab (“**investment platform**”) in the Revolut mobile app and Revolut web app (together referred to as the “**Revolut app**”).

The financial instruments that we may make available on the Revolut app include:

- Shares in publicly listed companies (“**shares**”);
- Government and corporate bonds (“**bonds**”); and
- Units in Money Market Funds (each an “**MMF**”), Exchange-Traded Products (“**ETPs**”) such as Exchange-Traded Funds (each an “**ETF**”), Exchange-Traded Notes (“**ETNs**”), Crypto ETNs (“**cETNs**”), and Exchange-Traded Commodities (“**ETCs**”).

We refer to these financial instruments as “**instruments**”, unless the context requires otherwise. Fractions of certain instruments may also be made available on the investment platform, we refer to fractions of such instruments as “**fractional instruments**”.

Not all of the instruments or fractional instruments mentioned above may be available to you at this time and nothing in this Risk Disclosure should be interpreted to mean that all of these instruments are currently available. You should always check the investment platform to confirm which of these instruments are currently available to you

You should not invest in instruments unless you understand:

- **the nature of the instruments;**
- **the nature of the relevant contracts (and contractual relationships) into which you are entering when you invest in an instrument;**
- **the market underlying the instruments; and**

- **the extent of your exposure to risk.**

This Risk Disclosure is made by Revolut Trading and provides its customers (including “**you**” or “**your**”) with important information about the risks associated with our investment service and the instruments we offer as part of our investment service.

Please note the information contained in this Risk Disclosure is not intended to be exhaustive. Before you invest in any instrument you should be satisfied that it is suitable for you based on, for example, your investment objectives and financial situation.

Your agreement with us (“**agreement**”) contains important information, including this Risk Disclosure and our:

- [Terms of Business Omnibus](#);
- [Best Execution Policy Disclosure](#);
- [Complaints Handling Disclosure](#);
- [Conflicts of Interest Policy Summary](#);
- [Client Assets Protection Summary](#);
- [Investment Research Disclosure](#); and
- [Ex-ante Costs and Charges Disclosure](#).

You should read all information in the agreement carefully before you open a Revolut Trading account with us (“**investment account**”).

If you have any questions or doubts about any of the content of this Risk Disclosure or of the remainder of the agreement, you should seek independent professional advice. We do not offer any type of legal, financial, or tax advice.

2. General risks associated with our investment services

General risk

Revolut Trading provides you with the ability to buy and sell instruments on a non-advised basis via the investment platform of the Revolut app.

Before using the investment platform to submit orders in relation to instruments offered by Revolut Trading, you should understand the risks connected to our investment service, which are detailed in this Risk Disclosure.

Trading in instruments involves capital risk. The value of your investment may fall as well as go up and you may get back less than your initial investment. In some cases, you may lose your entire initial investment. Past performance of an instrument is not an indication of its future performance. When trading instruments we make available to you via the investment platform, you must have the ability to bear losses.

If there is any inconsistency between our [Terms of Business Omnibus](#) and the [Personal Terms](#) you agreed to with Revolut Ltd, our Terms of Business Omnibus prevail.

We may amend this Risk Disclosure when necessary and in accordance with applicable law and regulatory requirements.

Financial resources

You should ensure that you have appropriate financial resources to engage in the buying and selling of instruments via the investment platform, and that you have the ability to bear any losses that may arise from your trading activity. You should not rely on the assumption of being able to generate profits in order to pay down or relinquish any credit or financing.

You understand that you must not enter into any borrowing agreements, including loans and credit cards, in order to fund your purchase of instruments via the investment platform. We cannot control any such borrowing activity, and it is your responsibility to ensure that you understand the risks involved and that you have the financial means to pay for your orders as well as to absorb any losses that may arise.

No advice

Our investment service is a non-advised investment service. Therefore, we do not offer any advice or provide you with any recommendations regarding the suitability or appropriateness of any instrument. In the provision of our investment service to you, we are not required to assess the suitability or appropriateness of the instrument or

investment service offered to you and, as a result, you do not benefit from the protection of the FCA's rules on assessing suitability or appropriateness.

Whilst we may, from time to time, provide you with factual information about the instruments we make available to you via the Revolut app, this information is not, and should not be, interpreted as advice, and any decision to submit orders must be made solely by you. If you are uncertain as to whether any instrument is suitable or appropriate for your individual circumstances or needs, you should seek independent professional advice.

Provision of information

We may provide to you financial and market data, news, analyst opinions, research reports, graphs, or any other data or information originating by a third party via the Revolut app. Any market data we display via the Revolut app is indicative only and provided for informational purposes without regard to your individual financial circumstances, objectives, or particular needs. Prices and valuations displayed in the Revolut app may be based on third-party data sources and may not always reflect the price at which a transaction can be executed on the exchange or any other platform. We are making market data accessible to you solely to enable you to make your own investment decisions, and such market data is not intended to be, and does not constitute, investment advice or a personal recommendation.

Technical risk

Whilst we will try to make the Revolut app and its various features, including the investment platform, available to you without interruption, we cannot guarantee that the Revolut app or any of its underlying features will always be available to you. In these circumstances, you might not be able to submit your orders or monitor your open positions via the investment platform, or you might not be able to make use of supplementary but non-essential features of the Revolut app.

Your access to the Revolut app can also be interrupted by a weak internet connection or an outdated version of the Revolut mobile app. You should ensure that, when using the Revolut app, you are connected to a reliable and stable network and your Revolut mobile app is always updated to the latest available version.

Instrument offering

The instruments that can be traded via the investment platform may change from time to time. We cannot guarantee that any specific instrument or types of instruments that may be available at any given point in time will always remain available or accessible via the investment platform, and we can suspend and remove from the investment platform any instrument at any time. In particular, we have sole discretion to add or remove specific instruments or types of instruments and impose restrictions or limitations on certain instruments or volumes of instruments that may be bought or sold via the investment platform.

If we suspend or remove an instrument from the investment platform, it will mean that you will no longer be able to submit orders to buy that instrument via the investment platform. We will, however, if the law permits so, allow you to submit orders to close any open positions in that instrument. Examples include, but are not limited to, instruments becoming delisted from main exchanges, instruments trading on non-supported markets, instruments trading as 'penny stocks', or instruments where trading is restricted due to sanctions.

A "**penny stock**" is any instrument made available to you via the investment platform, for which the daily average market price remains below the minimum order value consistently for at least a period of fifteen (15) consecutive calendar days. If we determine that an instrument meets the conditions of a penny stock, we may suspend all buy orders in the relevant instrument. Entering into transactions in penny stocks carries a higher degree of risk due to their potential volatility, wider spreads, lower liquidity, and threat of delisting.

Customer support

Due to the nature of our business, our customer support service is digital-only. By opening an investment account, you confirm that you understand English and agree to communicate with us in English only, exclusively via digital means of communication, specifically via email and the Revolut app. Likewise, we will only communicate with you in English via email and the Revolut app.

Tax

You should be aware that various tax regimes may apply to your trading in instruments depending on your personal tax status and the laws and regulations in force across jurisdictions from time to time. You have the sole responsibility of determining the relevant tax impact to your trading activity and you should consult an appropriate professional advisor if you have any questions or doubts in this regard. Revolut Trading does not provide tax advice nor will be liable to you for any tax implications arising for you from your trading activity.

No guarantee of rights

Whilst instruments can often have rights to dividends and, in certain instances, the right to vote on certain matters at general meetings of the issuing company, you should not assume that you will be able to exercise these rights. The payment of dividends by a company is not guaranteed and you may not have the opportunity to exercise any voting rights attached to those instruments.

Legal and regulatory changes

Changes to current legislation and regulations could give rise to changes in the price of instruments, which could impact your profits or losses. The impact of such legal and regulatory changes can be material and unexpected, and may impact certain companies, markets, and jurisdictions more than others.

Legal and regulatory changes might also have an impact on the investment service that we provide to you. In such circumstances, we will inform you in advance, where possible, of any such changes materialising, to ensure you are given sufficient time to assess the impact of any such changes to the investment service.

Extended Market Hours

Please note that engaging in extended market hours trading may expose you to new risks or increase your exposure to the risks mentioned in this document. Extended market hours trading refers to trading that occurs outside of regular trading hours, which are generally between 9:30 a.m. and 4:00 p.m. Eastern Standard Time. It is important that you understand the key risks associated with extended market hours trading:

- **Risk of Lower Liquidity.** Greater liquidity (i.e., more orders that are available in a market) makes it easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular trading hours. As a result, your order may only be partially executed, or not at all.
- **Risk of Higher Volatility.** There may be greater volatility (i.e. greater price swings) in extended hours trading than in regular trading hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- **Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours, or upon next day's open. As a result, you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- **Risk of Unlinked Markets.** The prices displayed on a particular extended hours trading system used by us may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.
- **Risk of News Announcements.** Issuers often make news or financial information announcements outside of regular trading hours. These announcements, if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable price movement.
- **Risk of Wider Spreads.** The spread refers to the difference between the price you can buy and sell a security for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

Risks associated with fractional trading

Certain instruments on the investment platform may be available for fractional trading. Fractional instruments carry additional risks and limitations compared to whole instruments. In particular:

- **Liquidity and Execution Risk:** fractional instruments may be more difficult to sell quickly or at the expected price, especially in stressed market conditions or where the underlying instrument is less liquid.
- **Transfer Restrictions:** fractional instruments may not be transferable to another broker or platform. If you choose to transfer, your fractional instruments will need

to be sold first, which could result in additional charges and possible tax consequences.

- **Internal Allocation Risk:** fractional interests are supported by our internal books and records and represent your beneficial entitlement to a proportion of the underlying whole instrument. As a result, your ability to deal in fractional instruments depends on our systems and record-keeping remaining accurate and operational.
- **Rounding Risk:** quantities, valuations and distributions relating to fractional instruments are subject to rounding, which can result in minor differences between expected and actual amounts received. We record and round the quantity of fractional instruments you hold in our books and records to the eighth decimal place, and the value of fractional instruments and the payment of any dividends on fractional instruments to the nearest cent.

Not all instruments will be eligible for fractional trading at all times.

3. Risks associated with the instruments that we offer

Risk type	Description
Political risk	Political decisions made by governments and administrative bodies might negatively impact market participants. In result, issuers might not be able to fulfil their earlier commitments, decreasing the value of respective financial instruments. Examples of such scenarios include trade embargoes, increases of interest rates or any other decisions impacting the social, economic and legal environment.
Emerging markets risk	Investments in instruments in countries considered as emerging might be subject to increased and unpredicted instrument volatility due to more unstable political and economic conditions.
Currency risk	Unfavourable exchange rate fluctuations might impact your profits or losses connected to your trading in instruments denominated in foreign currencies.
Market and price risk	You may incur a loss due to unfavourable fluctuations in prices of your investments. The market price of instruments

Risk type	Description
	<p>is influenced by a broad array of factors and can change rapidly and unexpectedly, meaning that the value of those instruments can also change rapidly and unexpectedly.</p> <p>You might suffer losses if the market you have investments in is underperforming. The underperformance could be related to an insecure macro- and micro- economic environment, instability on stock exchanges or to poor financial returns in respective countries, regions or industries.</p> <p>You have the sole responsibility for any losses you incur due to fluctuations in market prices and for monitoring the value of the open positions you hold, and you should ensure that you can access the Revolut app on an ongoing basis to do this.</p>
Liquidity risk	<p>Insufficient market liquidity might hinder your ability to sell or buy instruments at a price favourable to you. As a result, you might receive smaller returns or bear losses on your investments.</p>
Systemic risk	<p>It is possible to incur a loss due to disruptions in instruments' custody systems, depositories, stock exchanges, securities custodians and other institutions. You might irrecoverably lose your investments if such institutions fail to meet their obligations in terms of instruments they hold in their custody.</p>
Interest rate risk	<p>The performance of instruments, such as debt securities, are heavily dependent on the level of global and regional interest rates. If they change, they might have a negative impact on the investment returns.</p>
Issuer risk	<p>If the issuer of securities suffers financial or liquidity difficulties, underperforms or faces any other challenges of similar nature, it could have a negative effect on the securities it issued and earlier commitments towards issuer's investors. If you hold the issuer's securities, you might bear losses as a result.</p>
Information risk	<p>It may be impossible for you to obtain adequate and correct information about all securities or obtaining such information could be challenging. On such occasions, it may be impossible for you to make appropriate decisions with respect to your investments.</p>
Credit risk	<p>The risk that the issuer of a instrument or a counterparty may default on their obligations.</p>

Specific risks associated with investing in Exchange-Traded Fund (“ETF”) units

An ETF is a type of pooled investment that operates much like a mutual fund, with the difference that units in ETFs can be freely purchased or sold on a trading venue the same way that a regular stock can. The price of an ETF unit will change throughout the trading day as the ETF units are bought and sold on the market. Typically, ETFs will track a particular index, sector, commodity, or other assets. An ETF can be structured to track anything from the price of an individual commodity to a large and diverse collection of securities. The asset of which the ETF is tracking the performance is called a “**benchmark**”. ETFs can even be structured to track specific investment strategies.

Risks inherent in ETF transactions

ETFs are sensitive to all principal risks of financial markets, therefore you should get acquainted with all the common risks described above. When investing in ETFs, it is possible that your investment will not increase in value as expected or that all the invested amount will be lost, in the event of the ETF’s bankruptcy.

Whilst ETFs usually provide a higher level of diversification than single stocks, diversification does not ensure a profit and does not protect against losses in declining markets. ETFs may not perfectly replicate the performance of their benchmark. The successful replication of a benchmark by an ETF does not guarantee profits and might even result in losses if the benchmark itself underperforms.

Execution venue, settlement procedure

Normally, transactions in ETFs are conducted via stock exchanges. Relevant trading venues might halt or suspend trading in relevant equities and the corresponding ETFs. It might be very difficult to sell illiquid ETFs (in the event there are no buyers and/or sellers in the market). Settlement takes place in your investment account with us.

Specific Risks associated with investing in Complex Exchange-Traded Products

Exchange-Traded Notes ("ETN")

ETNs are unsecured debt instruments and their value is linked to the performance of a reference index or asset. ETNs are issued by financial institutions, so repayment of principal and interest depends entirely on the creditworthiness of the issuer.

Issuer Credit Risk

Because ETNs are not backed by assets but only by the issuer's promise to pay, any financial difficulty faced by the issuer could directly translate to losses for investors. If the issuer defaults or goes bankrupt, investors could lose their entire investment.

Early Redemption or Delisting

ETNs may be called or redeemed by the issuer before maturity, which could result in an investor receiving less than the purchase price and realising a loss.

Issuers can delist ETNs, causing them to trade over-the-counter with minimal liquidity and at a discount.

Tracking Error Risk

ETN prices may not always correlate precisely with the underlying index, particularly during times of market stress or issuer-specific credit events.

Crypto Exchange-Traded Notes ("cETNs")

cETNs are complex and high-risk. cETNs are debt instruments backed by cryptocurrencies but investors do not possess direct ownership of the underlying crypto assets. Investments in cryptoassets can be complex, making it difficult to understand the risks associated with the investment.

Not all cryptoassets carry the same risks. Before investing, please make sure you understand the different risks associated with different types of cryptoassets.

You should do your own research before investing.

High volatility and risk of total loss

Don't invest unless you're prepared to lose all the money you invest.

This is a high-risk investment and you may lose the entire value of your investment if the underlying cryptoassets are lost, the prices collapse or the issuer defaults are unlikely to be protected if something goes wrong.

Cryptoassets can be highly volatile, experiencing rapid and unpredictable changes in price, which can lead to sharp decline in cETN value.

The cryptoasset market is largely unregulated. There is a risk of financial loss or loss of purchased crypto assets due to factors such as cyber-attacks, financial crime, and firm failures. Staking crypto assets introduces the risk of "slashing," a potential penalty (loss of assets) incurred due to validator non-compliance.

Absence of Investor Protection

The Financial Services Compensation Scheme ("**FSCS**") doesn't protect this type of investment because it's not a 'specified investment' under the UK regulatory regime – in other words, this type of investment isn't recognised as the sort of investment that the FSCS can protect. Learn more by using the FSCS investment protection checker [here](#).

Protection from the Financial Ombudsman Service ("**FOS**") does not cover poor investment performance. However, complaints against firms regulated by the Financial Conduct Authority (FCA) may be eligible for FOS consideration. Learn more about FOS protection [here](#).

Diversification of Investments

Investing all your capital in one type of asset carries significant risk. Diversifying your investments across various asset classes reduces your reliance on the performance of any single investment.

A good rule of thumb is not to invest more than 10% of your money in high-risk investments.

Exchange-Traded Commodities ("ETCs")

ETCs are an investment product that tracks price performance of a physical commodity, such as gold, oil, or agricultural products, without direct ownership of these physical assets. They generally derive their value from either the physical

commodity itself or through synthetic instruments, such as futures contracts, to track its price movements.

Market and Price Risk

The value of an ETC can be highly volatile due to changes in the prices of the underlying physical commodities or commodity futures contracts. Commodity prices can fluctuate due to factors such as supply and demand dynamics, weather conditions, geopolitical events, and macroeconomic conditions. Prices can change rapidly and significantly, potentially resulting in losses greater than the initial investment in extreme situations.

Liquidity Risk

Although ETCs trade on regulated exchanges, liquidity can vary widely depending on the commodity, trading volume, and market conditions. Lower liquidity may result in wider bid-ask spreads or the inability to buy or sell at desired prices or quantities.

Product Structure Risks

Some ETCs employ leverage or derivative instruments to achieve their investment objectives, which can amplify gains but also amplify losses. The replication method (physical holding of commodities versus synthetic replication via swaps or futures) introduces counterparty and credit risks. ETCs may also use complex strategies or hold a concentrated basket of commodities, which can increase risk.

Leveraged and Inverse ETPs

Leveraged ETPs are complex financial instruments that aim to provide amplified exposure to the daily performance of an underlying index or asset, often targeting multiples such as 2x or 3x of the daily return of the underlying asset or index. These funds often use financial derivative products to achieve their investment objectives.

Inverse ETPs, sometimes referred to as "short" ETPs are complex instruments designed to provide returns that correspond to the inverse performance of an underlying benchmark or index, typically on a daily basis. Some Inverse ETPs also use leverage to achieve a return that is a multiple of the opposite performance of the underlying index or benchmark.

Amplified volatility and risk of loss

Leveraged ETPs amplify gains and losses on a daily basis. While this can lead to significant returns in short periods of time, it also exposes investors to amplified losses, potentially exceeding initial investment.

Daily reset and compounding risk - not suitable for long term investing

Most Leveraged and Inverse ETPs reset their exposure daily, recalibrating to the target multiple each day, meaning that they are designed to achieve their stated objectives on a daily basis.

This daily reset and effects of compounding returns can cause the performance to deviate significantly from the underlying asset over longer periods, especially in volatile or sideways markets. As a result, holding Leveraged and Inverse ETPs for extended periods can result in returns that differ substantially from the expected underlying asset's cumulative performance.

Leveraged and Inverse ETFs are designed primarily for short-term trading and hedging, not as a buy-and-hold investment. Their daily reset and compounding effects create risks for long-term investors, who may experience unexpected performance outcomes.

Derivative and counterparty risk

Leveraged & Inverse ETP typically use derivatives such as futures, swap, and options to achieve their exposure. The use of derivatives introduces risks including counterparty risk, liquidity risk and increased complexity. The fund's performance depends on the ability to effectively manage these instruments, and failure to do so can negatively impact returns.

High fees and costs

Leveraged and Inverse ETPs tend to have higher expense ratios compared to traditional ETFs, due to the use of derivatives and daily rebalancing, which can result in costs of frequent trading. These costs can erode returns over time, particularly if the fund is held long term.

Market and tracking risk

There is no guarantee that a Leveraged or Inverse ETP will perfectly achieve its stated objective on any given day or over any period. Various factors such as market conditions and trading issues, may cause its return to deviate from the target leverage ratio.

Investors should carefully review the prospectus, understand its investment strategy and associated risks and consider their risk tolerance and investment horizon before investing in Leveraged or Inverse ETPs.

Diversification of Investments

Investing all your capital in one type of asset carries significant risk. Diversifying your investments across various asset classes reduces your reliance on the performance of any single investment.

A good rule of thumb is not to invest more than 10% of your money in high-risk investments.

Short Sale Exposure (Inverse ETPs specific)

Inverse ETPs often simulate short positions using derivatives, exposing investors to elevated risks in declining or illiquid markets. However, losses are generally limited to the investment amount, unlike direct short selling where loss potential is theoretically unlimited.

Specific risks associated with investing in Bonds

Bonds represent debt securities where investors (we call them "bondholders") lend money to an issuer in exchange for periodic interest payments and the return of the principal amount (i.e., the initial investment made by the bondholder) at maturity. Maturity refers to the date the bond is due and the principal amount is returned to the bondholder. Bonds can have varying maturities, and their prices may fluctuate in response to market conditions. The interest rate on a bond, known as the coupon rate, can be fixed or variable and determines the periodic interest payments. Bond prices may change due to factors such as shifts in interest rates, credit quality changes of the issuer, or market sentiment. Bonds can be issued by governments, corporations, or other entities, each with its own risk profile. When investing in bonds, you shall consider factors such as interest rate movements, creditworthiness of the issuer, and the potential impact of economic events on bond prices. Different bond types, such as corporate bonds, government bonds, or US Treasury Bills, offer various risk and return profiles, and you should assess them accordingly.

Interest rate risk

Investing in bonds entails being subject to interest rate risk, as bond values may fluctuate with changing interest rates. For instance, if the interest rates increase or

an increase is highly anticipated, the value of a bond may fall. Conversely, if the interest rates drop, the price of a bond might increase.

Credit risk

Credit or default risk is also inherent in transactions in bonds due to the possibility of the issuer defaulting on interest payments or the principal amount.

When bond orders are executed outside regulated markets, such as over-the-counter (OTC) transactions, you are exposed to counterparty risk to a higher extent compared to trading on regulated exchanges. That's because the other party to your bond transaction, such as a Broker, might default on its contractual obligations to deliver an agreed amount of cash or financial instruments.

As a bondholder, you are also subject to event risk, in which circumstances the bond issuer may not be able to meet their payment obligations, such as missing a coupon payment (for example, annual interest payment) due to an event with significant negative impact.

Inflation risk

Since bonds typically provide fixed interest payments based on the principal amount, rising inflation can erode the purchasing power of a bond's future cash flows. Most bonds are susceptible to inflation risk. For example, if a bondholder earns 4% yearly interest on a bond and the inflation rises to 6% a year, the holder will incur loss on its investment as the purchasing power of such proceeds decreases.

Liquidity Risk

Furthermore, liquidity risk is also present in transactions in bonds, as you may encounter a challenge selling bonds quickly without accepting a lower price than anticipated due to low trading volumes and limited buyer availability.

Prepayment Risk

Certain bonds might have a callable feature which exposes you to call (or early redemption) and reinvestment risks. That means that the issuer might have an option to redeem the bond and pay back the invested principal amount before the expected maturity date. Reinvesting received principal might be less profitable due to prevalent lower interest rates of similar instruments in the market. The reinvestment risk also applies to the received coupon payments. To preserve the initial investment yield, you are required to reinvest these coupons in bonds offering an equivalent yield to maturity (YTM) as the initial bond purchased. Failure to find bonds with a matching YTM or to reinvest the coupons effectively increases the risk of not achieving the initial investment goals.

Execution venue, settlement procedure

You won't be able to participate in the primary offerings of bonds or other debt securities and we only make available the bonds via our investment platform that are already listed on an exchange, regulated market or any other trading venue.

All bond orders will be executed via the Broker who will act as a principal and therefore all orders shall be executed against the Broker's own proprietary account. It might be difficult to sell bond positions in case the bond is illiquid (in the event there are no buyers and/or sellers in the market) or if the Broker faces liquidity issues or financial distress. Bond markets, particularly, OTC markets, may have lower transparency and fewer participants than equity markets. This may result in wider bid-ask spreads and less certainty in pricing.

As the Broker acts as principal, bond prices offered to you may include a spread or markup and may differ from prices available in the wider market.

Complexity

Bonds in our offering consist of non-complex instruments, as assessed in accordance with the applicable regulatory requirements. Bonds that do not meet the non-complex criteria are not available on the investment platform.

Non-complex bonds are defined as those admitted to trading on a regulated market. This excludes any bonds that contain embedded derivative features or structures that make the associated risks difficult for clients to understand.

The definition does, however, include bonds with callable features, provided these are limited to make-whole provisions. Make-whole provisions are designed to compensate bondholders in the event of early redemption, using a transparent calculation based on prevailing interest rates. As a result, complexity or uncertainty to the bond's risk profile is reduced compared to standard callable bonds, however, you should be aware that such features may still affect the timing of cashflows and investment returns.

We have indicated the most common risks related to bond transactions, however you should understand that we cannot list or explain all the inherent risks that you might be exposed to when trading bonds now or in the future.