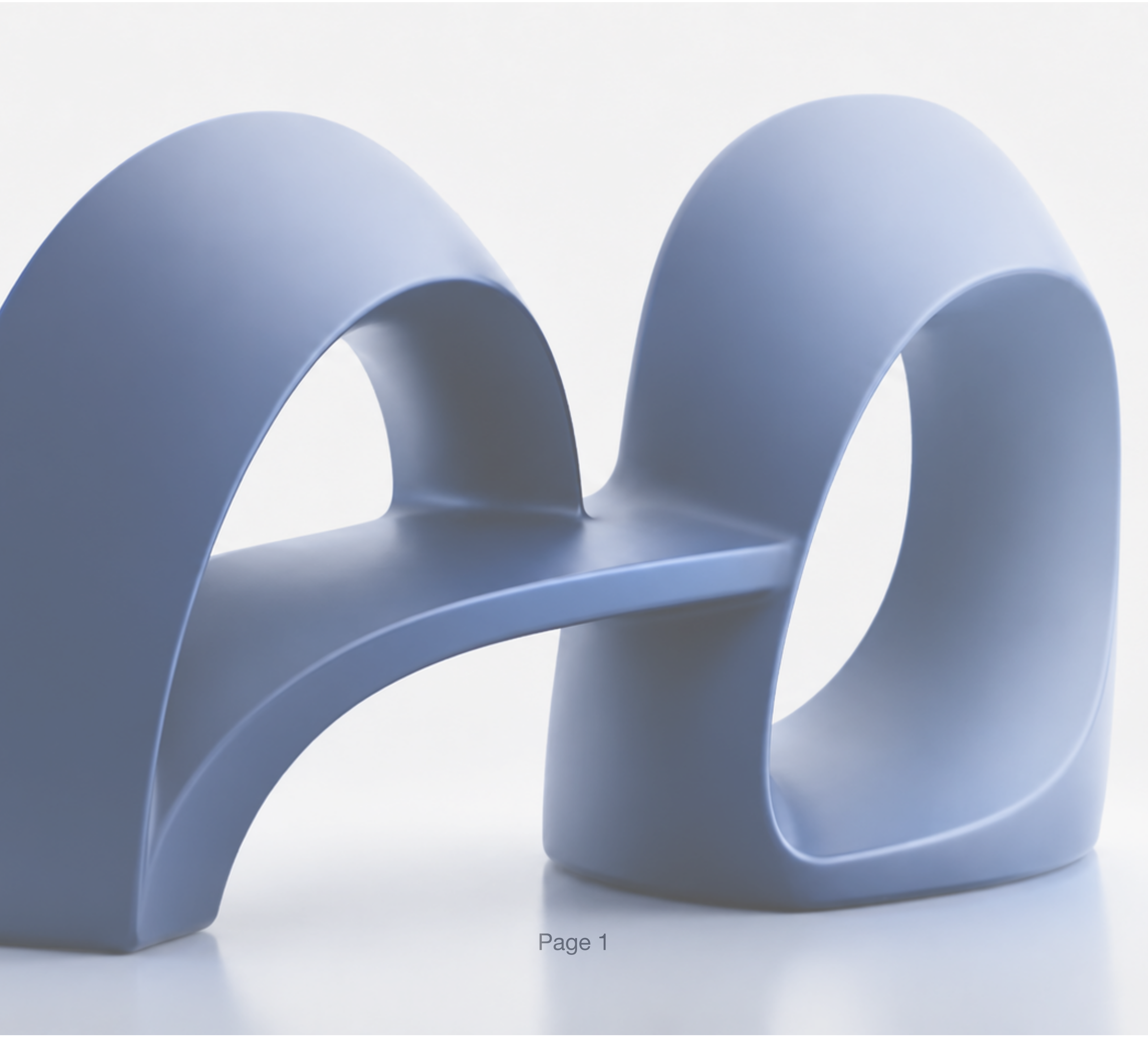
Risk Disclosure And Warning Notice



HIDALGO HOLDINGS - RISK DISCLOSURE AND WARNING NOTICE

Company: Hidalgo Holdings
Company Registration Number: PV 00279213
Website: www.hidalgoholding.com
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IMPORTANT RISK WARNING

Contracts for Difference, commonly referred to as "CFDs", together with foreign exchange instruments, cryptocurrencies, commodities, precious metals, indices, shares and other leveraged or non-leveraged financial market products, are complex and inherently speculative instruments. Such products do not provide capital protection, guaranteed income, guaranteed profit, fixed returns or any assurance that a client's original capital will be preserved. Trading results may be substantially magnified by the use of leverage. Although leverage can increase potential profits, it can equally increase losses, and comparatively small market movements may produce significant changes in the value of a trading account. Depending on the product, broker, account structure, jurisdiction and market conditions, a client may lose part or all of the funds allocated to trading.

Trading CFDs and other high-risk financial instruments is not suitable for every person. Before opening or operating any trading account, entering into any managed-account arrangement, authorising any trading activity or participating in any service associated with Hidalgo Holdings, each client must carefully evaluate whether such activity is appropriate in light of the client's financial circumstances, investment objectives, experience, knowledge, liabilities, income requirements and ability to withstand loss.

Clients must only allocate money that they can genuinely afford to lose without affecting their ordinary living expenses, family commitments, debt obligations, emergency savings or essential financial requirements. No client should borrow money, use essential household funds or commit funds required for immediate personal or business expenses for the purpose of engaging in speculative trading. The fact that a client has received information, market analysis, account-management assistance, educational material, trading commentary or any other support from Hidalgo Holdings does not eliminate or reduce the risks associated with financial markets. Past performance, historical results, examples, projections, testimonials, simulations and previous trading outcomes must not be relied upon as guarantees or reliable indications of future performance.

SCOPE OF THIS RISK DISCLOSURE

This Risk Disclosure and Warning Notice, referred to in this document as the "Risk Disclosure", explains on a fair, clear and non-misleading basis the general nature of certain material risks associated with CFDs, foreign exchange, cryptocurrencies, commodities, precious metals, stocks, indices and other financial-market products or services that may be discussed, introduced, facilitated or managed by Hidalgo Holdings where legally permitted. This Risk Disclosure does not and cannot describe every risk, circumstance or potential consequence associated with financial-market participation. The effect of a particular risk may differ according to each client's financial position, trading account, broker, chosen strategy, product, jurisdiction, tax position, account classification, use of leverage and level of experience. The absence of a particular risk from this document shall not mean that such risk does not exist or that Hidalgo Holdings has accepted responsibility for it. Clients must not commence trading merely because they have received this document. Each client is responsible for reading and understanding this Risk Disclosure, the relevant Client Agreement, General Business Terms, broker terms, privacy documentation, fee structure, strategy description and any other contractual or regulatory documents applicable to the service. Clients are strongly encouraged to obtain independent legal, financial, investment, accounting and tax advice before proceeding. Any such adviser should be independent of Hidalgo Holdings and should be appropriately qualified in the client's jurisdiction. This Risk Disclosure is provided for risk-information and contractual-disclosure purposes. It is not personal financial advice, a recommendation that any particular client should trade, a guarantee of suitability, or a representation that any product will achieve a desired result. Nothing in this document represents that Hidalgo Holdings is licensed, authorised, approved or endorsed by the Securities and Exchange Commission of Sri Lanka, the UK Financial Conduct Authority or any other regulator unless such status has been separately confirmed through an official regulatory register and expressly stated by the company in writing. To the extent that services or communications fall within Sri Lankan or UK financial-services laws, they shall only be provided, communicated or relied upon where lawfully permitted. In the United Kingdom, investment invitations and inducements may be subject to the financial-promotion restriction under section 21 of the Financial Services and Markets Act 2000. Applicable FCA rules require relevant communications to be fair, clear and not misleading and to make capital-at-risk features clear. A risk warning by itself does not authorise an activity that otherwise requires regulatory permission. This Risk Disclosure must be read together with all agreements and disclosures issued by Hidalgo Holdings and the client's broker, platform provider, exchange, custodian, payment provider or other third-party service provider.

1. MARKET RISK

Financial markets are influenced by numerous economic, political, technological, regulatory and commercial factors. These may include inflation, interest-rate decisions, central-bank announcements, employment data, economic growth, geopolitical conflict, elections, government policy, sanctions, natural disasters, market sentiment, liquidity conditions, corporate announcements, technological events and unexpected news.

Market prices may rise or fall quickly, unpredictably and without prior notice. A position that appears profitable at one point may move into loss within seconds or minutes. Stop-loss instructions, risk parameters and trading strategies may reduce certain risks but cannot guarantee that a position will be closed at the exact requested price. During periods of extreme volatility, market gaps may occur. A market may open at a price materially different from its previous closing price or move through a selected stop-loss level before an order can be executed. Consequently, an order may be completed at a less favourable price than expected. Hidalgo Holdings may use market analysis, technical indicators, fundamental information, trading systems, human judgement or combinations of these methods. However, all may be completed at a less favourable price than expected. Hidalgo market analysis involves uncertainty. No method of analysis is consistently accurate, and no strategy can predict every market movement or protect an account from all losses. Clients acknowledge that market losses are a normal and unavoidable possibility of trading and that Hidalgo Holdings shall not be responsible for losses caused solely by adverse market movements, volatility, market gaps, reduced liquidity or events outside the company's reasonable control, except where responsibility cannot lawfully be excluded.

2. RISK OF CAPITAL LOSS

All trading and investment activities involve the possibility of financial loss. The value of a trading account may increase or decrease, and clients may lose part or all of the capital allocated to trading. Although Hidalgo Holdings may apply risk-management procedures, position limits, diversification methods, stop-loss levels, exposure controls or other protective measures, these measures cannot eliminate risk. They are intended to manage exposure but do not guarantee that losses will remain within any particular amount. Losses may arise from market movements, leverage, execution delays, account restrictions, broker action, inaccurate data, regulatory changes, liquidity shortages, unexpected price gaps, technical interruptions, client instructions or a combination of factors. Clients must independently determine the amount of capital that they are prepared and financially capable of losing. The client remains responsible for the decision to allocate funds to a trading account, continue participation, increase capital, reduce capital or withdraw from an arrangement. Hidalgo Holdings does not provide insurance against trading losses and does not undertake to replace, refund or compensate capital lost through legitimate market activity. Any decision by the company to provide discretionary assistance, goodwill support or a commercial adjustment shall not create a continuing obligation, legal precedent or admission of liability.

3. LEVERAGE RISK

Leverage permits a client to control a position with a value greater than the margin or capital committed to that position. This can increase market exposure and may cause both profits and losses to arise more rapidly than they would in an un-leveraged investment. A small percentage movement against a leveraged position may result in a substantial reduction in account equity. It may also result in automatic position closure, margin calls, liquidation or account restrictions imposed by the broker.

The leverage available to a client may depend on the broker, product, jurisdiction, client classification and applicable regulatory requirements. Hidalgo Holdings does not control every leverage limit, margin calculation or liquidation procedure applied by a third-party broker. Clients are responsible for reviewing and understanding their broker's margin requirements, leverage limits, stop-out levels, negative-balance protections and liquidation policies. Such requirements may change without prior notice where permitted by the broker's terms. For CFDs distributed to UK retail clients by firms subject to the FCA's CFD product-intervention rules, restrictions include leverage limits, margin close-out protection, negative-balance protection and prescribed risk warnings. Clients should refer to the current firm-specific disclosure supplied by the relevant authorised CFD provider, including any required. how many retail accounts lose money. Nothing in this Risk Disclosure should be interpreted as a promise that any particular regulatory protection will apply to the client. The availability of such protection depends on the identity and regulatory status of the broker, the legal entity with which the client contracts, the client's classification and the jurisdiction governing the account.

4. MANAGED-ACCOUNT RISK

Where permitted by applicable law and governed by a separately executed agreement, a client may authorise Hidalgo Holdings or an appropriately appointed person to make or implement trading decisions in relation to the client's trading account. By entering into such an arrangement, the client acknowledges that trading decisions may be made without obtaining separate approval for every transaction, provided that the decision falls within the authority granted by the client and the applicable agreement.
Trading decisions may be based on market information available at the relevant time. Strategies, instruments, position sizes, holding periods, risk exposure and market direction may change in response to changing conditions. A decision that appeared commercially reasonable when made may subsequently result in loss due to events that could not have been reliably predicted. No managed-account arrangement shall be interpreted as creating a guarantee of profit, guaranteed recovery of previous losses, guaranteed monthly income, minimum return, fixed return, capital

protection or risk-free investment. The client remains responsible for monitoring the account, reviewing account statements, maintaining access to the broker account, checking transactions and promptly reporting any concern. The appointment of a manager does not remove the client's responsibility to understand the service and assess whether continued participation remains suitable. Unless expressly stated in a written agreement and required by applicable law, Hidalgo Holdings does not assume a fiduciary, trustee, deposit-taking, banking, brokerage, custodial or insurance role merely because it provides trading-related services. Hidalgo Holdings reserves the right, where permitted under the applicable agreement, to suspend trading, reduce exposure, close positions or decline to open new positions when the company reasonably considers that market conditions, technical conditions, regulatory concerns, risk limits or client circumstances make continued activity inappropriate.

5. PERFORMANCE DISCLAIMER

Any historical returns, previous account results, hypothetical examples, back-tested information, trading records, screenshots, illustrations, projected outcomes, client experiences, marketing examples or statistical information provided by Hidalgo Holdings are supplied solely for general information and must not be interpreted as a promise or forecast of future results. Past performance is not a reliable indicator or guarantee of future performance. Financial markets change, and a strategy that performed successfully during one period may perform differently or generate losses during another period. Hypothetical and back-tested results have particular limitations because they may be prepared with the benefit of hindsight and may not fully reflect real-time liquidity, spreads, commissions, slippage, delayed execution, emotional decision-making, technological failures or changing market conditions. Statements concerning expected performance, target returns, possible growth, strategy objectives or market opportunities are forward-looking statements and are inherently uncertain. Actual results may differ materially from any expected or illustrated outcome. Clients must not rely on a presentation, social-media post, website statement, verbal discussion, performance example or prior result as the sole basis for making a financial decision. Any reference to performance must be considered together with the risks of loss, fees, market conditions and the client's individual circumstances.

6. BROKER AND THIRD-PARTY RISK

Trading activities may depend on third-party brokers, financial institutions, exchanges, liquidity providers, payment processors, technology companies, custodians, data providers and communication platforms. Hidalgo Holdings may not own, operate or control these third parties. A third party may experience insolvency, operational failure, cybersecurity incidents, system interruptions, liquidity problems, regulatory restrictions, execution delays, account suspension, withdrawal delays, pricing errors, service changes or termination of business. Any reference by Hidalgo Holdings to a broker, regulator, platform or service provider does not constitute a guarantee of that entity's solvency, performance, integrity or continued regulatory status. Clients remain responsible for reviewing the broker's official regulatory status, legal entity, contractual documents, fee structure and applicable compensation arrangements. A third party's authorisation by the Financial Conduct Authority, Financial Services Authority, Financial Sector Conduct Authority, Financial Services Commission or another regulator applies only to the authorised legal entity and the activities covered by its permission. Such authorisation must not be interpreted as authorisation, endorsement or regulation of Hidalgo Holdings unless expressly confirmed through the relevant official register.
Hidalgo Holdings shall not be responsible for acts, omissions, insolvency, system failures or contractual breaches of an independent third party except to the extent that the company's responsibility arises under applicable law and cannot lawfully be excluded.

7. CRYPTOCURRENCY RISK

Cryptocurrencies and other digital assets are highly volatile and speculative. Their prices may change substantially within short periods and may be affected by market sentiment, regulation, government restrictions, exchange failures, cybersecurity incidents, blockchain disruptions, technological developments, liquidity conditions and concentration of

ownership. Cryptocurrency markets may operate continuously and may experience significant price changes outside normal business hours. Certain digital assets may become illiquid, lose most or all of their value, be removed from a trading platform or become subject to legal restrictions.
Transactions involving blockchain networks may be irreversible. Funds transferred to an incorrect address, unsupported network or unauthorised person may not be recoverable. Clients must ensure that cryptocurrency exposure is consistent with their financial capacity and risk tolerance. Hidalgo Holdings does not guarantee the continued availability, legality, liquidity, security or value of any digital asset, blockchain network, wallet, exchange or cryptocurrency-related product.

8. TECHNOLOGY AND EXECUTION RISK

Trading relies upon computer systems, mobile devices, internet connectivity, broker platforms, pricing feeds, communication systems and third-party infrastructure. These systems may become unavailable, delayed, interrupted or inaccurate. Technology-related risks may include platform outages, slow internet connections, rejected orders, duplicate orders, delayed execution, incorrect price displays, software faults, cyberattacks, server interruptions, data loss, device malfunction and communication delays. The price requested when an order is submitted may differ from the price at which the order is executed. This difference is commonly associated with slippage and may occur during fast-moving or illiquid markets. Hidalgo Holdings does not guarantee uninterrupted access to any platform or the execution of every order at a particular price or time. The company shall not be liable for losses arising solely from systems or infrastructure outside its reasonable control, subject always to liabilities that cannot lawfully be excluded. Clients must maintain secure devices, reliable internet access and appropriate account-security practices. Passwords, authentication codes and account credentials must not be shared with unauthorised persons.

9. NO GUARANTEE OF PROFIT

Hidalgo Holdings does not guarantee fixed returns, minimum returns, monthly profits, account growth, capital protection, recovery of losses or any particular trading outcome. No employee, representative, consultant, introducer, agent, affiliate or third party is authorised to provide a guarantee on behalf of Hidalgo Holdings unless the guarantee is expressly contained in a formal written agreement signed by an authorised company officer and is lawful under the applicable regulatory framework. Any statement inconsistent with this Risk Disclosure must be reported to the company immediately and must not be relied upon unless formally confirmed in writing. The absence of profit, occurrence of drawdown or loss of capital shall not by itself establish negligence, misconduct, breach of contract or failure by Hidalgo Holdings. Liability must be determined according to the applicable agreement, the facts of the matter and governing law. Nothing in this provision excludes liability for fraud, fraudulent misrepresentation, deliberate misconduct or any other liability that cannot legally be excluded or limited.

10. CLIENT RESPONSIBILITY

Each client is responsible for ensuring that participation in financial-market trading is lawful, appropriate and affordable in the client's country of residence. The client must provide complete, accurate and current information during registration, onboarding and ongoing account reviews. Hidalgo Holdings may rely on information supplied by the client and shall not be responsible for consequences caused by false, incomplete, misleading or outdated information. The client is responsible for understanding the nature of the products traded, the risks of leverage, applicable fees, broker conditions, withdrawal procedures, taxation requirements and the possibility of capital loss. The client must review all account activity, statements and communications. Any suspected unauthorised activity, error or concern must be reported promptly in accordance with the Client Agreement. Clients are responsible for obtaining independent advice where required. Hidalgo Holdings is not responsible for a client's failure to consult an adviser or for advice provided by an independent professional. The client must not participate using borrowed funds, proceeds of crime, money belonging to another person without lawful authority or funds required for essential personal or business commitments. Where a client continues to use a service after receiving this Risk Disclosure, such continued use shall constitute confirmation that the client has had a reasonable opportunity to read, understand and consider the risks described herein, subject to any additional acceptance procedure required by applicable law.

CLIENT ACKNOWLEDGEMENT

By signing, electronically accepting, registering for, continuing to use or participating in a service provided by Hidalgo Holdings, the client acknowledges and confirms that: The client has read and understood this Risk Disclosure and has had an opportunity to ask questions and obtain independent professional advice. The client understands that financial-market trading is speculative, that capital is at risk and that profits are not guaranteed. The client understands that leverage may magnify losses and that part or all of the capital allocated to trading may be lost. The client accepts that historical performance, projected performance and previous results are not guarantees of future results. The client confirms that the decision to participate has been made voluntarily and on the basis of the client's own assessment of financial circumstances, objectives and risk tolerance. The client accepts responsibility for selecting and maintaining any third-party broker account and understands that Hidalgo Holdings does not guarantee the performance or solvency of any independent broker or service provider. The client understands that this Risk Disclosure does not replace the Client Agreement, General Business Terms, broker agreement or other contractual documentation. The client acknowledges that Hidalgo Holdings shall be entitled to rely upon this acknowledgement to the fullest extent permitted by applicable law.

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