Risk Warning Disclosure

April, 2017

Risk Warning Disclosure

The purpose of this notice is to describe the major risks of foreign exchange transaction. This is a general risk warning to the investors referred hereafter as “you”, “your”, “clients”, “customers” and the Information provided herein is of a general nature dealing with all the products offered by Vision Financial Services referred to hereafter as “we”, “our”, “us”, “VFS”.

THIS RISK WARNING DISCLOSURE CANNOT AND DOES NOT DISCLOSE ALL OF THE RISKS OF TRADING IN FOREIGN EXCHANGE WITH VFS.

It is very important that you read and comprehend the following risks associated with trading foreign exchange before you begin trading with your Vision Financial Services account.

High Risk Investment

Foreign exchange transactions bring about a high level of risk, and are not suitable for everyone. By letting the client open an account with VFS does not suggest that VFS implicitly or explicitly approves of the customer's investment strategy, financial situation or needs, or competence to trade in the offered products. It is up to the customer to ensure that they have the required knowledge. Any pre-opening assessment done by VFS is for account opening purpose only.

Before entering this market, it is crucial that you carefully reflect over your investment objectives, trading proficiency, and ability to deal with risk. It is possible to lose all the money you invested in a trade, and we strongly advise against depositing and investing in any funds that have been borrowed from others.

Pricing

The price and liquidity of a currency or currency pair can be influenced by changes in the political, economic, and natural states of those countries and transactions involving currencies are subject to volatile market conditions. VFS is not responsible for the monitoring of your account in this regard. In addition, past performance is not a reliable indicator of future performance and VFS does not give any guarantee for future performance.

VFS aims to provide clients with the best execution available and to get all orders filled at the requested rate. However, there are times when, due to an increase in volatility or volume, orders may be subject to slippage and difference may exist between the raw price and the final price. Slippage most commonly occur during fundamental news events or periods of limited liquidity. It may also occur after trading hours that may impact the next day opening price. In case of such events the pending positions or orders cannot be altered or modified. Therefore, risks exist involved in holding open positions during this period. In this regard, VFS does not bear any responsibility for any trading losses you might incur as a result of slippage or disparity between final price and raw price.

Website & Platform Content

All content, including but not limited to news, prices, research, analyses, and opinions on the VFS website, is provided as general market commentary, and does not serve as investment advice. VFS will not accept liability for any loss or damage that may result from usage or dependence on website or platform content. Although VFS checks frequently to ensure that the content on the website and platform is accurate, it does not warrant that all information is accurate and true. Additionally, the content on the website and platform may be updated any time without notice.

VFS’s content, services, and investments are not intended for residents in any country where such distribution or use would be contrary to local law or regulation and shall not be considered a solicitation to any person in any authority where such an act would be illegal. Visitors to this website or the VFS platform are responsible for understanding the terms and conditions. In case of doubt or concern, VFS can be reached for guidance.

Risk Warning Disclosure

This brief statement does not disclose all the risks associated with foreign exchange trading ("forex"). Because all customer accounts are self-directed, it is important that customers understand the substantial risks and losses that may arise as a result of their trades. Please review the following risks prior to trading in order to determine whether trading is appropriate for you and if it meets your financial objectives, experience and available resources.

1. Leveraged trading

Leveraged trading is the act of using leverage to increase the return on investment significantly. Leveraged trading may produce significant profits for traders but may also come with a significant cost. Because small market movements result in a proportionally larger effect, losses will be amplified and customers may lose all the funds they deposited. Thus, customers should only trade money that they can manage and are willing to lose.

2. Customer Margins

Margin Funds deposited by customers towards their online trading account, are not held in separate accounts at banks, but are combined with funds deposited by other customers. Collection and disbursal of funds shall be conducted in compliance with all appropriate laws in Afghanistan.

3. Trading positions and pricing

Trading may be suspended or restricted under certain market conditions or market rules where buying and selling may be difficult due to price limits, which are the levels that trading prices are allowed to rise or fall in a day. In such situations, customers may face greater risk of loss. Customers can view rates on their trading platform. Rates made available to clients for trading depends on the availability of buyers and sellers in the international market and are determined by liquidity providers.

4. Trading Strategies

It is encouraged that you also employ such risk-reducing strategies as 'Stop Loss', 'Stop Order', or 'Trailing Stop'. You should also be aware that market conditions may make it impossible to close out your order at the level specified. Avoidance of the above-mentioned strategies is at your own risk. When a currency pair is long, the first currency is bought while the second currency is sold short. On the other hand, a short position occurs when the first currency is sold while the second currency is bought. Stop-loss Order implies placing an order with a broker to sell a security when it reaches a certain price. While the usage of “stop-loss” orders are suggested to limit and avoid downside risk instead of a margin call as a final stop, it may be impossible for such orders to be consistently useful because market conditions or certain market rules may hinder them from being executed. It is recommended for customers to maintain adequate margin, add more funds to their trading accounts. It is in the customers’ interest to ensure availability of funds to avoid margin closeouts.

5. Delay in Order Processing

During periods of high volume, order processing delay may occur. This is a condition where an order is in the process of executing but execution has not yet been confirmed. In such condition, the order is in the process of being executed, but be pending. During periods of heavy trading volume, it is possible that a queue of orders will be formed. That increase in incoming orders may sometimes create conditions where there is a delay in confirming certain orders.

Depending on the type of order placed, outcomes may vary. In the case of a Market Range order that cannot be filled within the specified range, the order will not be executed. In the case of a Market order, every attempt will be made to fill the order at the next available price in the market. In both situations, the "status" column in the "orders" window will typically indicate "executed" or "processing." The trade will take a few moments to move to the "open positions" window. Depending upon the order type, the position may in fact have been executed, and the delay could be due to heavy internet traffic.

Keep in mind that it is only necessary to enter any order once. Multiple entries for the same order may slow or lock your computer or inadvertently open unwanted positions.

VFS doesn't bear any responsibility for any trading losses you might incur as a result of any delays on your side or glitches in trading platform.

6. Currency risks

Foreign exchange transactions will be affected by fluctuations in currency rates when converting from one currency to another. Thus, profits or losses made from transactions will be affected by these fluctuations as well.

7. Slippage

Prices offered by VFS for customers' trades will only be legitimate at the exact date and at the exact time that the price is conferred upon them. In situations where markets have high volatility, the expected price may be different than the price at which the trade was carried out with. Slippage is the term used to describe this occurrence, and it is the difference between the two prices. Under these circumstances, trades will be executed at the exchange rate at the time the order is received by VFS's server. Slippage may prove to be advantageous at times, but may also prove to be disadvantageous, depending on market condition.

8. Technical Risks

The Client is warned of the following technical risks:

I. The Client and not the Company shall be responsible for the risks of financial losses caused by failure, malfunction, interruption, disconnection or malicious actions of information, communication, electricity, electronic or other systems.

II. A Client who undertakes transactions on an electronic system, will be exposed to risks associated with the system including the failure of hardware, software, communication lines and internet failure. The result of any such failure may be that the order is either not executed according to the instructions or it is not executed at all. The Company does not bear any liability in the case of such a failure.

III. The Company has no responsibility if unauthorized third persons gain access to Client information, including electronic addresses, electronic communication and personal data, access data when this is due to the Client's negligence or when the above are transmitted between the Company and the Client or any other party, using the internet or other network communication facilities, telephone, or any other electronic means or post.

IV. The Client must be aware that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.

V. At times of excessive deal flow the Client may have some difficulties to be connected over the phone or the Company's system(s), especially in volatile Market (for example, when key macroeconomic indicators are released).

VI. The Client must be aware that the internet may be subject to events which may affect his access to the Company's system(s), including but not limited to interruptions or transmission blackouts, software and hardware failure, internet disconnection, public electricity network failures or hacker attacks. The Company is not responsible for any damages or losses resulting from such events which are beyond its control or for any other losses, costs, liabilities, or expenses (including, without limitation, loss of profit) which may result from the Client's inability to access the Company's Systems or delay or failure in sending orders or Transactions.

VII. The Client is warned that while trading in an electronic platform he assumes risk of financial loss which may be a consequence of amongst other things:

a. Failure of Client's devices, software or poor quality of connection.
b. The Company's or Client's hardware or software failure, malfunction or misuse of equipment.
c. Wrong setting of Client's Terminal.
d. Delayed updates of Client's Terminal.

VIII. In connection with the use of computer equipment, data and voice communication networks, the Client solely bears the following risks, in which cases the Company has no liability of any resulting loss:

a. Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client.
b. Physical damage (or destruction) of the communication channels used to link the Client and the trading or information server of the Client.

c. Outage (unacceptably low quality) of communication via the channels used by the Client, or the channels used by the provider, or communication operator (including voice communication) that are used by the Client.
d. Wrong or inconsistent with requirements settings of the Client Terminal.
e. When carrying out transactions via the telephone (land or cell phone lines) voice communication, the Client runs the risk of problematic dialing, when trying to reach an employee of the broker service department due to communication quality issues and communication channel loads.
f. The use of communication channels, hardware and software, generate the risk of non-reception of a message (including text messages) by the Client from the Company.
g. Malfunction or non-operability of the trading system (platform), which also includes the Client Terminal.
h. Outage (unacceptably low quality) of communication via the channels used by the Company, in particular physical damage (destruction) of the communication channels by third parties.

9. Force Majeure

'Force Majeure' means an event which is beyond the reasonable control of an affected party including but not limited to Market Disruption, acts or restraints of government(s) or public authorities, war, revolution, strikes or other industrial action, fire, flood, natural disaster, explosion, terrorist action, the suspension or limitation of trading by any execution venue, or any breakdown, failure, defective performance or malfunction of any telecommunications settlement or other equipment or systems. On the occurrence of such events, VFS does not bear any responsibility for any trading losses the client might incur as a result of force majeure.

10. Investment advice

The content on VFS's website and platform should not be construed as investment advice. Customers should understand and be able to handle the risks of foreign exchange, whether it is by themselves or with the assistance of a financial advisor.

11. Undisclosed conflicts

Engaging in foreign exchange trading may also bring additional risks from introducing brokers who are compensated by retail foreign exchange dealers or futures commission merchants for introducing new users. These introducing brokers may not have any experience in trading, and must be registered in order to carry out their role. Users must carefully consider these solicitors and ensure that they are registered before allowing their dealers or a solicitor to carry out trading decisions.