Risks notices

The current risk notice goal is to warn about possible losses, related to financial markets transactions.

The financial market provides some systemic risks, reflecting socio-political and economic conditions. Such risks are not associated with particular financial market tool.

The main systemic risks list includes political risk, unfavorable (from the point of view of business conditions) changes risk in legislation, macroeconomic risks (sharp national currency devaluation, government debt market crisis, banking crisis, currency crisis, etc.). Systemic risks include force majeure circumstances risks as well.

Besides there are financial risks, representing the real damage and lost profits risks, arising from the financial transactions implementation due to the possible adverse effect of several market factors. The financial risks likelihood is usually higher than systemic ones. There are the following financial risks types:

• Foreign exchange risk. If the currency, used for main expenses and the currency, used to make investments, do not match, the purchasing power will change depending on exchange rates changes.

• Liquidity risk is the financial losses risk when selling financial tools, related to their selling issue at an acceptable price, for example, in case of a quick funds withdrawal from the financial market (portfolio liquidation).

• Price risk is the unexpected changes risk in the financial tools prices, which may result in a portfolio value and profitability decrease or even direct losses. Transaction order execution in the financial market is not always possible on the terms basis, specified in it, due to the dynamic change of such transactions parameters in trading systems, primarily due to price volatility.

• Issuer bankruptcy risk is deemed the risk, related to possibility of insolvency of the issuer of a security, which will lead to a sharp drop in the price (up to a complete loss of liquidity) for such a security (in the case of shares) or the inability to repay it (in the case of debt securities).

• The illegal actions risk relatively the investor's property and the investor's rights, protected by the law, by the third parties, including the issuer, registrar and other persons, being the parts of the financial market infrastructure.

• Technical risk is deemed the risk, related to poor-quality or unfair obligations performance by financial market participants, performing settlements. Vilari LTD takes all reasonable measures to protect the Client from this risk. Nevertheless, the Client is independently responsible for all possible adverse transaction consequences, including re-registration delays of rights to securities, payment delays, counterparty's refusal to fulfill the transaction term without a reason, admissible by the agreement terms and other reasons.

The Client may incur certain profit losses or even direct losses due to unfavorable changes in the financial tool price, refinancing rate and exchange rate within the interval from the funds release date until the new assets purchase date.