HoxtonWealth Europe

Risk Disclosure Statement for Retail Clients

of Hoxton Wealth (Europe) Ltd

October 2026

Hoxton Wealth (Europe) Ltd, previously Hoxton Capital Management (Europe) Ltd is authorised and regulated by the CySEC,
with licence no. 432/23 and Company Registration no. HE417287
Tel: + 35724332522
Email: admin@hoxtonwealth.eu
www.hoxtonwealth.com/eu

Hoxton Wealth (Europe) Ltd, previously Hoxton Capital Management (Europe) Ltd
Mesogiou 15, Upper Floor,7041,
Larnaca, Cyprus

Table of Contents

Version Control ***4***

1. Introduction ***5***

2. General Risk Warning ***5***

3. Charges and Taxes ***5***

4. Third-Party Risks ***6***

5. Insolvency ***6***

6. Investor Compensation Fund ***6***

7. Technical and Operational Risks ***7***

8. Force Majeure Events ***7***

9. Abnormal Market Conditions ***7***

10. Foreign Currency Risk ***7***

11. No Guarantee of Profit ***8***

12. Principal Risk Categories ***8***

12.1. Market Risk 8

12.2. Liquidity Risk 8

12.3. Credit Risk 8

12.4. Interest Rate Risk 8

12.5. Inflation Risk 8

12.6. Currency Risk 8

12.7. Systemic Risk 9

12.8. Political and Legal Risk 9

12.9. Settlement Risk 9

12.10. Operational Risk 9

12.11. Tax Risk 9

13. Risks associated with specific financial instruments 9

13.1. Shares and Other Types of Equity Instruments 9

13.2. Rights Issues 10

13.3. Bonds and Fixed-Income Instruments 10

13.4. Money Market Instruments 10

13.5. Warrants 10

13.6. Derivatives (Futures, Options, Swaps, CFDs) 10

13.7. Structured and Other Complex Products 10

13.8. Collective Investment Schemes and UCITS 11

13.9. Mutual Funds 11

13.10. Hedge Funds 11

13.11. Foreign Exchange (FX) Trading 11

13.12. Exchange-Traded Funds (ETFs) 11

14. Client Responsibilities and Acknowledgment 11

15. Final Provisions 12

Version Control

Version	Author	Date	Description of Changes
1	Risk Manager	June 2024	Initial Version
2	Risk Manager	2 December 2025	Comprehensive revision and restructuring of the Risk Disclosure Policy into a Retail Client Risk Disclosure Statement, incorporating enhanced risk warnings, expanded instrument-specific disclosures, updated Investor Compensation Fund (ICF) wording, and alignment with MiFID II and CySEC requirements.
3	Risk Manager	21 October 2026	Updated to reflect the change of the Company's name to Hoxton Wealth (Europe) Ltd, its inclusion in the Hoxton Wealth Group and the CySEC approval letter ref. 7.1.623 dated 4 August 2026.

1. Introduction

This Risk Disclosure Statement is issued by Hoxton Wealth (Europe) Ltd, formerly Hoxton Capital Management (Europe) Ltd, (the "Company" or "Hoxton"), a Cyprus Investment Firm authorised and regulated by the Cyprus Securities and Exchange Commission (CySEC) under Licence No. 432/23, in accordance with the Investment Services and Activities and Regulated Markets Law of 2017, L.87(I)/2017 (the "Law"), and the Markets in Financial Instruments Directive (MiFID II).

The purpose of this Statement is to provide Clients and prospective Clients with a fair, clear, and non-misleading explanation of the nature and risks associated with investing or trading in financial instruments.

All Clients should carefully read this document before engaging with the Company's services or entering into any investment transaction. This Statement does not disclose or explain all potential risks and should be read in conjunction with the Client Agreement and other legal documents provided by the Company.

2. General Risk Warning

Investing in financial instruments entails a high degree of risk. The value of investments may fluctuate upwards or downwards, and investors may lose part or all of their capital. Past performance is not indicative of future results.
Clients should not engage in transactions unless they fully understand:

- The nature of the instruments being traded;
- The degree of exposure to potential loss; and
- Their own financial capacity and risk tolerance.

Where a client has any doubt regarding the risks described herein, independent financial, legal, or tax advice should be obtained.

3. Charges and Taxes

The provision of services by the Company is subject to fees, commissions, and charges. Before engaging in any investment service, Clients should obtain a detailed explanation of all applicable fees. The Company

provides both ex-ante (estimated) and ex-post (actual) cost disclosures, in accordance with MiFID II requirements.

Fees may be expressed in monetary amounts and/or as percentages of the investment value. For example, a 3% charge on an investment of €1,000 equates to €30.

The Company may amend its charges from time to time, but such changes will be communicated to Clients in advance and in accordance with the Client Agreement.

Clients may be subject to taxes or other duties as a result of their investment activity, depending on personal circumstances or changes in legislation. The Company does not provide tax advice and does not warrant that no tax liability will arise. The Client is solely responsible for all tax obligations arising from their investments.

4. Third-Party Risks

The Company may rely on third-party institutions such as custodians, brokers, or payment service providers for the execution or safekeeping of assets. The legal and regulatory regime governing such third parties, particularly those located outside Cyprus, may differ from that of Cyprus. In the event of the insolvency or failure of such third parties, Client assets may be treated differently.

The Company accepts no liability for any acts, omissions, or insolvency of third parties, provided the Company has exercised due care in their selection.

Where funds are held in omnibus accounts, Clients acknowledge that their assets may be co-mingled with those of other clients. In the event of default, the Client may have only an unsecured claim against such third parties.

5. Insolvency

The Company's insolvency or default may lead to positions being liquidated or closed out without the Client's consent.

6. Investor Compensation Fund

The Company is a member of the Investor Compensation Fund (ICF) for clients of investment firms regulated in Cyprus. Eligible retail clients may be entitled to compensation up to €20,000 per person if the Company fails to meet its obligations.

Further details can be found on the Company website and the CySEC website.

7. Technical and Operational Risks

The Client bears the risk of losses resulting from failures or interruptions in information, communication, or electronic systems, including hardware, software, internet failures, power outages, or malicious actions such as hacking or cyberattacks.

Such events may delay or prevent the execution of orders or access to accounts. The Company shall not be liable for losses arising from such failures.

Clients should also acknowledge that:

- Unencrypted emails or data transfers may be intercepted or altered;
- Power or system outages at the Client's end may cause transaction errors;
- Market orders placed during volatile conditions may execute at prices materially different from expected values.

8. Force Majeure Events

In the event of force majeure (e.g., natural disasters, war, power failure, market disruptions, or regulatory intervention), the Company may be unable to execute orders or fulfil obligations. The Company will not be liable for any resulting losses.

9. Abnormal Market Conditions

During periods of extreme volatility, low liquidity, or disrupted trading, orders may not be executed at expected prices or within normal timeframes. Clients acknowledge that abnormal market conditions may lead to increased losses or delayed order execution.

10. Foreign Currency Risk

When financial instruments are denominated in a currency other than the Client's base currency, exchange rate fluctuations may affect investment value. Clients may experience losses even when the underlying instrument performs positively.

11. No Guarantee of Profit

The Company provides no guarantees of profit or protection from loss. Investment values fluctuate, and Clients may lose part or all of their capital. Past performance is not indicative of future results.

12. Principal Risk Categories

12.1. Market Risk

The risk that the value of investments decreases due to adverse movements in market variables such as equity prices, interest rates, exchange rates, or commodity prices.

12.2. Liquidity Risk

The inability to buy or sell an investment quickly at a fair price. This risk is more pronounced in instruments traded on illiquid or over-the-counter markets.

12.3. Credit Risk

The risk that a borrower, bond issuer, or counterparty fails to meet their obligations (e.g., default on interest or principal payments).

12.4. Interest Rate Risk

Interest rate fluctuations can affect the value of fixed-income instruments. Fixed-income securities generally move inversely to interest rates: rising rates reduce the value of existing bonds, while falling rates increase their value.

Sensitivity to rate movements depends primarily on maturity and duration, with longer-dated instruments typically exhibiting greater price volatility.

12.5. Inflation Risk

Inflation may erode the real value of returns, particularly on fixed-income instruments.

12.6. Currency Risk

Investments denominated in foreign currencies may lose value if exchange rates move unfavourably.

12.7. Systemic Risk

A failure or collapse of a major institution or market participant may cause widespread disruption in global financial systems.

12.8. Political and Legal Risk

Changes in legislation, regulation, or political instability may adversely affect investments. Emerging markets typically carry higher legal and political risks.

12.9. Settlement Risk

The risk that one party fails to deliver payment or securities as agreed during settlement.

12.10. Operational Risk

Losses resulting from internal process failures, human error, IT malfunctions, or external disruptions.

12.11. Tax Risk

Changes in tax rules or interpretations may adversely affect investment outcomes.

13. Risks associated with specific financial instruments

Investment decisions made by Clients are subject to various market and operational risks. Investments may fluctuate in value and may not be profitable.

Clients acknowledge the existence of substantial risks, including the possibility of total loss of invested capital.

13.1. Shares and Other Types of Equity Instruments

Equity securities represent ownership in a company. Their value may fluctuate depending on company performance, economic conditions, and market sentiment. Dividends are discretionary and not guaranteed. Investors may lose their entire investment if the issuer fails.

13.2. Rights Issues

Rights issued to existing shareholders to purchase additional shares at a discount may lose value if not exercised within their validity period. These instruments carry all the main financial risks including liquidity and market risk.

13.3. Bonds and Fixed-Income Instruments

Bonds expose investors to credit, interest rate, reinvestment, and call risks. High-yield or subordinated bonds carry a higher probability of default. Inflation can reduce the real value of fixed coupon payments.

Convertible and exchangeable bonds expose investors to both credit and equity risk.

13.4. Money Market Instruments

Short-term debt securities (e.g., Treasury Bills) generally carry lower risk but are still subject to interest rate and liquidity risk.

13.5. Warrants

Warrants grant the right, but not the obligation, to purchase shares at a specified price before expiry. Their prices are volatile, and they may expire worthless if not exercised.

13.6. Derivatives (Futures, Options, Swaps, CFDs)

Derivatives derive value from underlying assets (e.g., indices, commodities, currencies). Leverage can amplify both gains and losses, and losses may exceed the initial investment.

Counterparty and liquidity risks also apply, particularly for over-the-counter (OTC) derivatives.

13.7. Structured and Other Complex Products

Structured products and other complex financial instruments, including Financial Products with Complex Features such as private credit or loan-based funds, are sophisticated investment products whose return may be linked to underlying assets, lending activities, market indices, or other performance benchmarks.

Such instruments may involve embedded derivatives, leverage, concentration exposure, conditional or non-linear pay-off structures, and/or exposure to private or illiquid assets. Investors may therefore be exposed to market risk, credit and counterparty risk, underlying asset risk, liquidity risk, valuation risk, and issuer or borrower default risk.

Due to their complexity and potential illiquidity, these products may not be suitable for all investors. Depending on their terms and market conditions, investors may lose part or all of the capital invested.

13.8. Collective Investment Schemes and UCITS

These schemes pool investor funds to diversify investments. The value of units can fluctuate due to market and management risk. Some funds impose redemption restrictions or notice periods.

13.9. Mutual Funds

Mutual funds vary by investment policy (equity, balanced, bond, or money market). Each carries different levels of risk, dependent on underlying assets and diversification.

13.10. Hedge Funds

Hedge funds are typically unregulated and employ leverage and complex strategies. They carry high market, liquidity, and operational risk, and may not be suitable for retail investors.

13.11. Foreign Exchange (FX) Trading

FX transactions involve buying and selling currencies, often with leverage. Small price movements can lead to significant gains or losses. Margin calls may require additional funds, and default by the broker can result in total loss of collateral.

13.12. Exchange-Traded Funds (ETFs)

ETFs track indices or commodities. Their risk profile depends on underlying assets and tracking accuracy. Market volatility and liquidity constraints can affect ETF prices.

14. Client Responsibilities and Acknowledgment

Before entering into any investment activity, Clients are expected to take an informed and active role in assessing and managing their own investment risks.

Clients confirm and acknowledge that they:

1. They have read and understood the content of this Risk Disclosure Statement and the characteristics of the financial instruments in which they may invest.

2. They have evaluated their own financial situation, investment objectives, and capacity to bear potential losses, including the possibility of losing all invested funds.
3. They make investment decisions independently, with or without advice from the Company, and understand that ultimate responsibility for all investment decisions rests with them.
4. They will monitor their investments and remain aware of market, economic, and political factors that could affect the performance of their portfolios.
5. They will provide complete and accurate information to the Company and notify it promptly of any material changes in their financial circumstances or investment objectives that may affect the suitability of products or services.

15. Final Provisions

This Risk Disclosure Statement forms part of the Client documentation and should be read together with the Client Agreement, and any other applicable disclosures provided by the Company.

The Company performs its activities with integrity, transparency, and in accordance with the applicable laws and regulatory framework of the Cyprus Securities and Exchange Commission (CySEC). While it endeavours to act in the best interests of its Clients, the Company does not guarantee the performance of any investment, the return of capital, or the avoidance of loss.

No representative or employee of the Company is authorised to promise or imply guaranteed returns or protection from losses. Investment outcomes depend on market conditions and are outside the control of the Company.

This Statement may be updated periodically to reflect regulatory or operational changes. The most recent version will always be made available on the Company's website or upon request. Clients are encouraged to review it regularly as part of their ongoing investment awareness.

For further information, please contact:

Hoxton Wealth (Europe) Ltd
Mesogiou 15, Upper Floor, 7041, Larnaca, Cyprus
Email: admin@hoxtonwealth.eu
Phone: +357 24332522
Website: www.hoxtonwealth.com/eu