

## CRYPTO.COM – FORIS DAX UK LIMITED RISK SUMMARY – IMPORTANT – PLEASE READ CAREFULLY

Last Update: 20 October 2023

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be high risk.

### What are the key risks?

#### 1. You could lose all the money you invest

- The performance of most cryptoassets can be highly volatile, with their value dropping as quickly as it can rise. You should be prepared to lose all the money you invest in cryptoassets.
- The cryptoasset market is largely unregulated. There is a risk of losing money or any cryptoassets you purchase due to risks such as cyber-attacks, financial crime and firm failure.

#### 2. You should not expect to be protected if something goes wrong

- 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](#).
- The Financial Ombudsman Service (FOS) will not be able to consider complaints related to this firm. Learn more about FOS protection [here](#).

#### 3. You may not be able to sell your investment when you want to

- There is no guarantee that investments in cryptoassets can be easily sold at any given time. The ability to sell a cryptoasset depends on various factors, including the supply and demand in the market at that time.
- Operational failings such as technology outages, cyber-attacks and comingling of funds could cause unwanted delay and you may be unable to sell your cryptoassets at the time you want.

#### 4. Cryptoasset investments can be complex

- Investments in cryptoassets can be complex, making it difficult to understand the risks associated with the investment.
- You should do your own research before investing. If something sounds too good to be true, it probably is.

#### 5. Don't put all your eggs in one basket

- Putting all your money into a single type of investment is risky. Spreading your money across different investments makes you less dependent on any one to do well.
- A good rule of thumb is not to invest more than 10% of your money in high-risk investments. Learn more [here](#).

#### 6. Not all types of cryptoassets carry the same risks

- Investing in all types of cryptoassets carries with it some general risks as described above. In addition to these general risks, investing in certain types of cryptoassets may bear specific risks. For example, investing in so-called 'stablecoins' (eg. USDT) or

- 'asset/commodity-backed coins' could carry with it the specific risk of such cryptoassets' underlying assets losing some or all of their value, or not existing at all or in sufficient quantities to support the expected price of the cryptoasset to which they relate. This is because the price and stability of such cryptoassets depends on the value and stability of the real-world assets that underpin them.
- 'Stablecoin' and 'asset/commodity-backed coins' are the terms used for the types of cryptoassets that may claim their value is linked to underlying real-world asset reserves such as fiat currencies (for stablecoins) or real-world assets or commodities (eg. gold) (for asset/commodity-backed coins).
  - As such cryptoassets may differ in how they seek to maintain stability, it is not possible to quantify all of the risks that may be associated with investing in such assets. However, there are some risks that will typically apply to these types of cryptoassets.
  - Risks include, but are not limited to:
    - **Issuer risk:** Issues around the transparency and auditability of the cryptoassets' issuer and/or underlying assets such that you may not be able to adequately verify that the value of the underlying real-world assets matches your expected price of the relevant cryptoasset. Where the real-world assets underpinning such cryptoassets are not worth what the issuer claims, there is a risk that the value of such cryptoassets may fall below that which you expect. Where a type of cryptoasset provides a right of redemption over the issuer, this may not be exercisable for reasons including, but not limited to, the issuer becomes insolvent, there being insufficient assets, or market volatility.
    - **Currency risk:** As many stablecoins are denominated in US Dollars, if you are trading using a different fiat currency (eg. USDT:GBP), then you may be exposed to changes in the US Dollar exchange rate.
    - **Algorithmic risk:** Where a cryptoasset uses an algorithm to maintain stability, there is a risk that the algorithm could deviate from expected behaviour or fail entirely, causing the relevant cryptoasset to 'depeg' from its expected value / stability or even lose its value altogether.
  - If any of the abovementioned risks were to happen, it could result in you losing some or all of your investment.
  - You should consider carefully all risks involved with investing in cryptoassets, including both the risks of investing generally and any specific risks of investing in a particular type of cryptoasset.

**If you are interested in learning more about how to protect yourself, visit the FCA's website [here](#). For further information about cryptoassets, visit the FCA's website [here](#).**