



uexo \ Wealthlink (PTY) Ltd. \ FSCA

Risk and Fraud Prevention Policy

v1.0

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1. Introduction

The uexo brand is authorised and regulated in various jurisdictions, with the South African entity being owned and operated by Wealthlink (PTY) Limited. Wealthlink (PTY) Ltd. (hereinafter referred to as “uexo,” or “Company” from this point on) has its address at 5th Street, Atrium On 5th, 9th Floor Sandhurst, Johannesburg, 2196, South Africa. The company is authorised and regulated by the Financial Sector Conduct Authority in South Africa (FSCA) under the licence FSP number 50582 and has the CIPC company number 2019 / 514704 / 07.

2. Risk Management

2.1 Market Risk Management

2.11 At uexo, we recognize that trading in the foreign exchange market carries inherent risks. We diligently analyse market conditions, including economic indicators, geopolitical events, and other factors that may influence currency prices. By staying informed, we aim to provide our clients with relevant market insights to make informed trading decisions.

2.12 **Volatility:** Volatility in the forex market can lead to significant price movements. All uexo Clients are encouraged to diversify their trading portfolios, thereby reducing exposure to individual currency fluctuations.

2.121 **Volatility and Price Movements:** The foreign exchange market is characterised by its inherent volatility, where currency prices can experience rapid and substantial fluctuations over short periods. This volatility arises from a multitude of factors, including economic data releases, geopolitical events, central bank decisions, and market sentiment. For instance, let's consider an example:

Suppose a major central bank announces an unexpected interest rate hike in a country's economy. This unexpected move can lead to a swift appreciation of that country's currency against other major currencies. Traders who were not prepared for such a development could see their trading positions face significant losses if they were positioned on the opposite side of the trade.

2.122 **Currency Pair Dynamics:** The forex market involves trading currency pairs, where the value of one currency is measured against another. The relative strength of two currencies determines the exchange rate between them. Variations in economic indicators or geopolitical events in either of the countries can lead to sharp fluctuations in the exchange rate of the currency pair. Here's an illustration:

Consider the EUR/USD currency pair. If there's positive economic news from the Eurozone, such as robust GDP growth, the Euro (EUR) might strengthen against the US Dollar (USD), leading to a rise in the EUR/USD exchange rate. Conversely, negative news could weaken the Euro, causing a decline in the exchange rate.

2.123 **Diversification for Risk Mitigation:** To navigate the inherent volatility in the forex market, clients are strongly advised to diversify their trading portfolios. Diversification involves spreading investments across various currency pairs, asset classes, and trading strategies. By doing so, traders can reduce their exposure to the price movements of any single currency pair. Here's an example of how diversification works:

A trader decides to allocate their capital across multiple currency pairs, including USD/JPY, GBP/USD, and AUD/USD. If a sudden market event causes the USD to weaken against the JPY but strengthen against the GBP and AUD, the trader's overall portfolio may experience less drastic fluctuations compared to having concentrated investments in just one currency pair.

2.124 **Risk Management Tools:** At uexo, we provide clients with risk management tools to assist in controlling potential losses. Stop-loss orders and take-profit orders are common tools that allow traders to set predefined price levels at which their positions will be automatically closed. These tools help traders limit losses and secure profits, especially during times of high volatility.

2.125 **Educational Resources:** We encourage clients to educate themselves about the relationship between volatility and price movements. Our educational resources cover topics such as fundamental analysis, technical analysis, and risk management strategies. By understanding the factors that contribute to market volatility, clients can make more informed trading decisions.

2.126 **Leverage Considerations:** While leverage can amplify potential profits, it also magnifies potential losses. Clients should exercise caution when using leverage, especially during periods of high volatility. It's essential to maintain a proper balance between leverage and risk tolerance to avoid being overexposed to market fluctuations.

By acknowledging the role of volatility in shaping currency prices and promoting diversification strategies, uexo aims to empower clients with the knowledge and tools needed to navigate the dynamic and ever-changing forex market landscape.

2.13 Our margin requirements are carefully set to prevent clients from overleveraging their positions. This practice assists in mitigating the impact of abrupt market movements and preventing large losses.

2.2 Operational Risk Management

At uexo, ensuring the reliability and resilience of our trading systems is of the utmost importance. Our trading system, known as "uexoTrader," forms the backbone of our clients' trading experience. We implement rigorous measures to safeguard the performance and availability of uexoTrader, mitigating operational risks and enhancing the overall trading experience.

2.21 **Regular Reviews and Stress Tests:** Our commitment to technological excellence is reflected in our routine reviews and stress tests of the uexoTrader platform. By subjecting the platform to various simulated scenarios, we assess its responsiveness, stability, and capacity to handle different levels of trading activity. This proactive approach allows us to identify and address potential vulnerabilities before they impact our clients. For example, during a stress test, we simulate a surge in trading activity, pushing the platform to its limits. This test helps us evaluate the system's ability to maintain efficient execution speeds and handle a higher number of orders without compromising performance.

2.22 **Backup and Recovery Procedures:** Despite our best efforts, unforeseen technical failures or system downtime can occur. To minimise the impact of such disruptions, uexo has robust backup and recovery procedures in place. These procedures ensure that client data and trading history are securely stored and can be quickly restored in the event of system failures. For example, if a hardware failure were to occur, our backup systems would seamlessly take over, allowing traders to continue their activities without significant interruption. Additionally, client account information and trading data would remain intact and retrievable, safeguarding their trading history and account details.

2.23 **Contingency Plans:** We recognise that the forex market operates around the clock, and any downtime can lead to missed trading opportunities. To address this, we meticulously develop contingency plans that cover a wide range of potential scenarios. These plans outline steps to take in response to specific events, ensuring that business operations continue smoothly. For example, a contingency plan might outline steps to follow in the event of a cyberattack. In such a scenario, uexo would implement

measures to isolate the affected systems, assess the extent of the breach, and activate backup systems to maintain trading operations. This level of preparedness minimises disruptions and maintains continuity even during challenging circumstances.

By prioritising the reliability of our trading systems, implementing comprehensive backup and recovery procedures, and developing detailed contingency plans, uexo demonstrates its commitment to providing clients with a seamless and uninterrupted trading experience. Our operational risk management practices are designed to uphold the integrity of uexoTrader and ensure that our clients can trade with confidence, knowing that their transactions are secure, and their trading activities are well-supported.

3. Fraud Prevention

uexo places a high priority on fraud prevention to maintain the integrity of our trading environment. Through robust processes and cutting-edge technology, we ensure that our clients can engage in forex trading with confidence, knowing that their interests are safeguarded. Our dedication to fraud prevention is evident in the stringent measures we have in place.

3.1 Client Identification and Verification

3.11 Advanced KYC & AML Measures: At uexo, we consider Know Your Customer (KYC), and Anti-Money Laundering (AML) checks as fundamental pillars of our fraud prevention strategy. We've partnered with award-winning third-party KYC & AML software and systems, positioning our KYC and AML practices among the best in the forex industry. For example, when a new client registers with uexo, they are guided through a comprehensive identification and verification process. This involves submitting official identification documents, such as passports or driver's licences, along with proof of address documents. These documents are then rigorously verified using sophisticated software to ensure their authenticity.

3.12 Enhancing Client Authentication: To further bolster security, we employ multi-layered authentication mechanisms during the account creation and login processes. This includes implementing Two-Factor Authentication (2FA), where clients need to provide an additional verification code along with their login credentials. For example, when a client logs in to uexoTrader from a new device, they receive a verification code on their registered mobile device. This code is required to complete the login process, adding an extra layer of security beyond the standard username and password.

3.2 Transaction Monitoring

3.21 Sophisticated Monitoring Systems: Our commitment to preventing fraudulent activities extends to monitoring client transactions in real-time. Our advanced systems are designed to detect unusual or suspicious trading behaviours that may indicate fraudulent activities. For example, if a client's trading behaviour suddenly deviates from their established patterns—such as making unusually large trades or executing a high volume of trades within a short time frame—our monitoring systems will raise an alert for further investigation.

3.22 Proactive Risk Mitigation: In cases where transactions raise concerns, uexo's dedicated security team promptly intervenes to review and assess the situation. This proactive approach ensures that any potentially fraudulent activities are identified and addressed swiftly.

3.3 Educational Resources

3.31 Empowering Clients: Beyond our internal measures, we believe that educated clients are better equipped to identify and mitigate potential fraud. Our comprehensive educational resources cover a range of topics, including common types of fraud, phishing prevention, and cybersecurity best practices. For example, Clients can access our educational materials to learn about

techniques used by fraudsters to target unsuspecting traders. Armed with this knowledge, clients can recognize and avoid suspicious communication or requests for personal information, helping to protect their accounts and sensitive data.

3.4 Secure Trading Environment

3.41 **Top-Tier Security Measures:** uexo is committed to maintaining a secure trading environment for all clients. The uexoTrader platform is fortified with state-of-the-art security measures, including encryption protocols and firewalls. For example, when a client enters sensitive information, such as login credentials or financial details, the data is encrypted using advanced encryption algorithms. This encryption prevents unauthorised parties from intercepting and accessing the information.

3.42 **Industry-Leading Cybersecurity:** Our cybersecurity practices adhere to the highest industry standards. By regularly assessing and updating our security protocols, we ensure that our systems remain resilient against evolving cyber threats.

Through our dedication to leveraging leading-edge technology, partnering with trusted third-party solutions, and educating our clients, uexo establishes itself as a trailblazer in the forex industry's fraud prevention landscape. Our unwavering commitment to protecting our clients' interests sets us apart and ensures that they can trade with confidence on the uexo platform.

4. Reporting and Communication

4.1 Incident Reporting

At uexo, we understand that proactive incident reporting is a key component of maintaining a secure trading environment. We actively encourage both our valued clients and dedicated employees to promptly report any incidents, concerns, or observations related to suspicious activities, security breaches, or potential fraud. This collaborative approach to security empowers us to swiftly address emerging threats and uphold the safety of our clients' trading experiences.

4.11 Client-Driven Incident Reporting: Our clients are an integral part of our security network. If a client detects anything out of the ordinary or has reason to believe they've encountered a security-related issue, we urge them to report it immediately. This might include unusual account activities, suspicious communication, or any other matter that raises concerns. For example, suppose a client receives an unexpected email requesting sensitive account information that appears to be from uexo. If the client suspects phishing or fraudulent activity, they can report this incident to us, allowing our security team to take appropriate action to safeguard the client's account.

4.12 Employee Reporting: Our employees are trained to be vigilant and proactive in identifying potential security threats. If an employee becomes aware of any unusual activities or suspicious behaviour within the organisation, they are encouraged to report these incidents promptly. This collaborative effort enhances our ability to detect and respond to potential threats effectively.

4.2 Reporting Channels

4.21 Clients who wish to report an incident have several convenient channels at their disposal:

4.211 Live Chat: Our Live Chat feature, accessible on our website, provides clients with an immediate way to connect with our support team. Clients can report incidents, ask questions, and seek guidance in real time.

4.212 Phone: Clients can call our dedicated incident reporting hotline at +44 208 157 9984. Our experienced support staff will assist them in navigating the incident reporting process.

4.213 Email: For clients who prefer written communication, incidents can be reported by sending an email to reportanincident@uexo.com.

4.3 Communication

Transparency is a core principle at uexo. We believe that informed clients are empowered clients. As part of our commitment to transparency, we strive to keep our clients well-informed about any changes that may impact their trading experience. By maintaining open lines of communication, we enable our clients to make well-rounded and informed decisions.

4.31 **Policy Updates:** Our policies, procedures, and security measures are regularly reviewed to ensure their effectiveness and relevance. In the event of any updates or modifications, clients will receive timely notifications outlining the changes.

4.32 **Educational Content:** We also communicate through educational content, providing insights into emerging threats, best practices for security, and market trends. This information empowers our clients to stay ahead of potential risks and make educated trading decisions.

4.33 **Client Portal:** Through our secure client portal, clients can access personalised updates, notifications, and important announcements. This portal serves as a centralised hub for staying informed about their trading activities and uexo's latest developments.

By encouraging incident reporting, maintaining accessible communication channels, and promoting transparency, uexo demonstrates its commitment to fostering a secure and mutually beneficial trading environment. We view our clients as partners in security, working together to maintain the highest standards of safety and integrity in forex trading.

5. Compliance and Accountability

5.1 Regulatory Compliance

uexo operates as a responsible participant in the financial industry, adhering to the laws and regulations that govern forex trading and financial services. Our unwavering commitment to regulatory compliance is a cornerstone of our operations, ensuring the safety, security, and trustworthiness of the services we provide to our clients.

5.11 Adherence to Legal Frameworks: We rigorously adhere to the legal frameworks established by regulatory authorities in the jurisdictions where we operate. This includes compliance with requirements related to client onboarding, transaction monitoring, reporting obligations, and more. For example, in compliance with the Financial Sector Conduct Authority (FSCA) regulations in South Africa, uexo conducts thorough KYC and AML checks on all clients during the onboarding process. This practice helps prevent money laundering and other financial crimes.

5.12 Periodic Policy Reviews: Our Risk and Fraud Prevention Policy is not static. It is subject to periodic reviews to ensure its continued alignment with evolving regulatory requirements. Any necessary updates to the policy are made to reflect changes in regulations and industry best practices.

5.2 Accountability

5.21 Management Responsibility: The management team at uexo takes full responsibility for the successful implementation and enforcement of this Risk and Fraud Prevention Policy. By maintaining clear lines of responsibility and oversight, we ensure that our risk management and fraud prevention measures are consistently upheld. For example, our Chief Compliance Officer is tasked with overseeing the implementation of the policy, conducting regular audits, and ensuring that all employees adhere to its guidelines. This role is essential in fostering a culture of compliance within the organisation.

5.22 Consequences of Policy Violations: We view adherence to this policy as critical to maintaining the security and integrity of our trading environment. Violations of this policy, particularly those involving fraudulent or unethical behaviour, will be treated seriously. Depending on the nature and severity of the violation, appropriate disciplinary actions will be taken, including but not limited to account termination.

6. Conclusion

At uexo, our steadfast commitment to risk management and fraud prevention underscores our dedication to providing a secure and transparent trading environment. This comprehensive Risk and Fraud Prevention Policy is not only a testament to our values but also a testament to the measures we take to protect our clients.

For inquiries, questions, or concerns related to this policy, please do not hesitate to contact our dedicated support team:

- ★ Live Chat: Available on our website for real-time assistance.
- ★ Phone: Reach us at +44 208 157 9984 for immediate support.
- ★ Email: Send your inquiries to reportanincident@uexo.com.

Our support team is here to ensure that you have a full understanding of our risk and fraud prevention measures and to address any inquiries you may have.

Do you have any questions?

If you are unsure of the things stated within this policy, or have any questions, please contact us either via our live chat features, which can be found on our website, or by emailing us at info@uexo.com.