



Risk Disclosure Statement

Nise Invest Pty Ltd

Last updated: June 2026



1. Introduction

This Risk Disclosure Statement is issued by **Nise Invest Pty Ltd** (ACN 690 010 809, AFS No. 001318142), **trading as NISE INVEST**.

For the purposes of this Agreement, **Nise Invest Pty Ltd will be referred to as “NISE INVEST”, “we”, “our” or “us”**.

This document outlines key considerations regarding the risks associated with investments offered by NISE INVEST. It is not an exhaustive guide to all potential risks, nor does it consider your individual financial circumstances. If you are uncertain whether these products align with your investment goals, it is strongly recommended that you seek independent financial advice before engaging in any transactions.

1.1 Investment Products Available

NISE INVEST provides access to various investment opportunities, including but not limited to:

- Securities – Investors can trade in shares and fractional shares subject to market availability and corporate issuance.

1.2 Risk Considerations

While our investment products cater to both retail and institutional investors, it is important to understand that all investments carry inherent risks. The value of your investment may fluctuate, and there is no guarantee that you will recover the full amount initially invested.

2. Key Risks in Securities Trading

2.1. Understanding the Risks of Investing in Shares



When purchasing shares, investors acquire partial ownership in a company. The value of these shares fluctuates based on the company's financial performance, investor sentiment, economic conditions, and broader market trends. If the company thrives, the share price may rise, potentially leading to gains. However, if the company performs poorly, the share price may decline, resulting in losses.

It is crucial to understand that ordinary shareholders are last in line for compensation in the event of a company's insolvency. Unlike bondholders or preferred stockholders, common shareholders have no guarantee of recovering their initial investment if the company becomes financially unviable. While some companies offer returns in the form of dividends or capital appreciation, these benefits are not assured, and extreme circumstances could lead to a total loss of capital.

Stock prices are largely determined by supply and demand forces, often influenced by public perception, economic outlook, and corporate events. If market sentiment shifts negatively, stock prices can decline, meaning investors may not recover the full amount they originally invested. It is also important to note that past performance is not an indicator of future returns, and even historically successful companies may experience downturns.

2.2 Dividend Payments – No Guarantee of Returns

Some companies choose to distribute profits to shareholders in the form of dividends, which may be issued annually, semi-annually, or quarterly. The amount and frequency of these payments are determined by the company's board of directors and depend on factors such as earnings, financial stability, and market conditions.

Even well-established businesses with a history of stable dividend payments may reduce, delay, or suspend dividends during financial downturns. Companies focused on rapid expansion, particularly in emerging industries, tend to reinvest earnings rather than distributing them to shareholders. Investors relying on dividends should be aware that payouts are never guaranteed, and external factors can disrupt planned



distributions.

2.3 Costs Associated with Trading

Trading in securities involves various costs, which can impact net returns. Investors must be aware of brokerage fees, commissions, and administrative charges imposed by brokers or third-party service providers. These fees are deducted from trading profits, meaning a transaction must be sufficiently profitable to cover associated costs. Additionally, market-related charges such as spreads, exchange fees, and regulatory levies may further affect trading outcomes. Failing to account for these costs can lead to lower-than-expected returns or increased financial strain.

2.4 Price Gaps and Sudden Market Movements

Financial markets do not always move in predictable increments. A stock may close at one price but reopen at a significantly different level, particularly after weekends, holidays, or major economic announcements. This phenomenon, known as market gapping, can result in unexpected losses for investors who hold positions overnight or during trading suspensions.

Price gaps are often caused by external factors such as earnings reports, regulatory announcements, macroeconomic shifts, or geopolitical events. Since gaps may bypass stop-loss orders, investors should carefully manage exposure and consider the risks of holding securities outside active trading hours.

2.5 Liquidity Risks and Trading Limitations

Liquidity measures how easily a security can be bought or sold without significantly affecting its price. While some stocks are actively traded and offer ease of entry and exit, others especially small-cap, emerging market, or specialized sector stocks may have lower liquidity, making it difficult to sell them quickly or at a favourable price.

In some cases, a lack of liquidity can result in an inability to sell securities at any price, leading to financial losses. Additionally, NISE INVEST reserves the



right to suspend or discontinue the offering of certain shares at its sole discretion. This may occur due to various factors, including but not limited to:

- Lack of market data, pricing errors, or technical malfunctions.
- Trading halts, suspensions, or excessive market volatility.
- Internal risk parameters, regulatory considerations, or liquidity constraints.
- Political, economic, or force majeure events affecting market stability.

Investors should remain aware that trading availability is subject to market conditions and risk management policies.

2.6 International Investments and Currency Exposure

Investing in international markets introduces additional complexities, including currency risk, regulatory differences, and limited access to financial information. Foreign securities may not have the same level of disclosure as domestic companies, making it harder to assess their financial health.

Currency exchange rate fluctuations can significantly impact returns. Even if a stock performs well, an unfavourable shift in foreign exchange rates can reduce or eliminate gains. Additionally, differences in trading hours between global markets may delay access to real-time pricing, potentially affecting trade execution and risk management.

2.7 Securities Subject to Market Stabilization

At times, securities may be subject to market stabilisation practices, where certain trading strategies are used to influence stock price movements. Stabilisation may occur when newly issued securities enter the market, ensuring that their price does not fluctuate excessively during the early trading period. While stabilisation can provide short-term price stability, it can also distort natural market forces.



These interventions can impact not only the price of newly issued securities but also other related instruments. Investors should recognize that market stabilisation efforts do not eliminate investment risks and may lead to artificial price movements that do not reflect actual market conditions.

2.8 Client Fund Security and Regulatory Compliance

In accordance with ASIC regulations, all client funds are held in segregated accounts, ensuring that investor capital remains separate from the company's operating funds. While this structure enhances financial security, it does not eliminate all risks.

Financial institutions holding client funds may still face their own operational or liquidity challenges. While NISE INVEST carefully selects banking partners based on stability and creditworthiness, no financial system is entirely free of risk. Investors may request additional details regarding the security measures in place to safeguard their funds.

3. Risks Associated with Investment Products

3.1 Holding Uninvested Money – Potential Implications

Investors who maintain unallocated cash in their trading accounts should be aware that these funds may be held in trust accounts with regulated financial institutions. Depending on prevailing terms, NISE INVEST may credit interest on uninvested balances. However, keeping funds idle in a trading account is not without risk.

Two key risks associated with uninvested funds include:

- **Impact of Inflation:** Over time, the purchasing power of money can decrease if inflation outpaces the interest earned on deposited funds. Even if interest is applied to the uninvested balance, rising costs can result in a reduction in real value.



- **Institutional Credit Risk:** Although client funds are held in segregated accounts for added protection, the banks or financial institutions where funds are deposited are still subject to financial risk. If a financial institution experiences distress or insolvency, a portion or all of the uninvested funds could be lost. To manage this risk, we conduct ongoing credit assessments and due diligence when selecting institutions for fund deposits.

While regulatory protections exist, no financial system is entirely free of risk, and investors should consider whether keeping funds uninvested aligns with their financial strategy.

3.2 Trading in Fractional Shares – Unique Considerations

Fractional shares allow investors to purchase portions of a stock rather than full shares, making it easier to invest in high-priced securities. However, fractional shares differ from full shares in several ways and have certain limitations.

Unlike full shares, fractional shares cannot be directly traded on public exchanges. These shares exist solely within the NISE INVEST trading environment, meaning investors cannot transfer them to another broker unless they are sold first. As a result, liquidity for fractional shares is entirely dependent on our platform, which may limit an investor's ability to exit positions as freely as with full shares.

NISE INVEST ensures that all orders for fractional shares adhere to best execution practices, meaning they will be executed at a price no worse than the prevailing bid or offer on the reference exchange at the time of order placement. However, orders entered outside of market hours will not be processed until regular trading resumes, which may lead to price variations.

Since fractional shares cannot be issued as physical stock certificates, they must be liquidated if an investor decides to close their account or transfer assets to another firm. Investors should also note that fractional shares may not always receive proportional voting rights or dividend payments, particularly when rounding adjustments occur. In cases where dividend



amounts are too small to distribute, investors may not receive a payout.

Additionally, there may be conflicts of interest associated with fractional trading, as execution occurs over the counter rather than on an exchange. By engaging in fractional trading through our platform, investors acknowledge and accept these execution methods. If an investor no longer wishes to participate in fractional share trading, they may submit a written request to discontinue such transactions.