

## Risks

This document provides additional information about the risks associated with tokenised assets made available through [Metals.io](https://metals.io).

These tokenised assets are high-risk and may be difficult to understand. You should only invest if you are prepared to lose all the money you invest.

### 1. Tokenised Metals Risks

The assets available through Metals.io are linked to physical commodities or baskets of commodities. Their value can fall as well as rise, and you may lose some or all of the money you invest.

The value of these assets may be affected by:

- supply and demand in the relevant commodity markets
- broader market volatility
- geopolitical or regulatory developments
- liquidity conditions on trading venues
- differences between trading prices and the value of the underlying asset

Different tokens may reference different assets or baskets of assets, and their pricing and liquidity may differ materially.

### 2. Redemption Risks

Some tokenised assets available through Metals.io may offer redemption rights, but redemption may not always be immediate or straightforward.

Depending on the token, redemption may be subject to:

- minimum holding thresholds
- identity verification or onboarding requirements
- fees, costs or spreads
- operational capacity limits
- market stress or liquidity constraints
- delays at custody, vault or settlement level

There is no guarantee that any redemption process will operate exactly as expected at all times.

### **3. Stablecoin and FX Risks**

Purchases of the tokenised assets described in this document are made using USDC. Stablecoin related risks include:

- the risk that a stablecoin may not maintain its expected value at all times
- the risk that a stablecoin issuer, reserve structure or redemption mechanism may fail or be disrupted
- exposure to exchange-rate movements between USD and your local currency, including GBP
- additional costs or losses when converting fiat currency into USDC before purchase

This means that even if the value of the underlying tokenised asset does not move significantly, your overall position may still be affected by stablecoin-related risks or FX movements.

### **4. Smart Contract Risks**

Tokenised assets rely on blockchain infrastructure and smart contracts. Smart contracts are pieces of code that perform functions automatically on-chain.

Smart contract and blockchain risks may include:

- coding errors or vulnerabilities
- exploits, hacks or malicious attacks
- failed or incorrect transaction execution
- network congestion or outages
- compatibility or integration issues
- loss arising from user error when interacting with wallets or transactions

Even where a token is linked to a physical asset, the token itself and the ability to transact in it may still depend on blockchain systems that can fail or behave unexpectedly.

### **5. Third-Party Issuer and Custody Risks**

Some assets made available through Metals.io depend on third parties for issuance, custody, vaulting, administration, pricing, settlement or redemption.

That means you may be exposed to risks arising from:

- issuer insolvency or failure
- custodian or vault operator failure
- operational disruption at service-provider level
- fraud, cyber incidents or poor record-keeping
- legal disputes or limits in the enforceability of token-holder rights
- delays or failures in transfer, redemption or settlement

## **6. Protocol / DEX Risks**

Metals.io provides access to decentralised, on-chain trading infrastructure. Transactions may be executed through smart contracts, routing logic and liquidity pools using a self-custodial wallet. This may expose users to smart contract vulnerabilities, failed or delayed transactions, slippage, limited liquidity, pricing discrepancies, user error, and risks arising from protocol design, configuration or future regulatory changes.

### **Important information**

- Investments in these assets are high risk and you could lose all the money you invest.
- These investments are not protected by the FSCS.
- Protection from the FOS is limited and does not cover poor investment performance.
- You should do your own research and consider whether these investments are appropriate for you.
- A good rule of thumb is not to invest more than 10% of your money in high-risk investments.