

Risk Disclosure Notice

Before you start trading with ForexCFDs, you must carefully consider whether trading in CFDs is appropriate for you, based on your personal circumstances, financial objectives, financial needs and trading experience.

CFD Products are speculative products which are not suitable for all investors. CFD Products are leveraged investments and by investing in them you are exposed to much greater risk of financial loss than other types of conventional investments such as share trading. You may incur a loss which is far greater than the amount you invest. In deciding whether to trade in such instruments you should be aware of the following points:

Counterparty risk

ForexCFDs, reduces financial exposure by automatically entering into corresponding trades with counterparties. There is a risk that the counterparty defaults on its obligations to us which could impact on our ability to meet our obligations to you. If we default on our obligations, you may become an unsecured creditor in an administration or liquidation, and you will not have recourse to the Underlying assets in the event of our insolvency.

Leverage Risk

The nature of CFDs means that a relatively small move in the price of the Underlying instrument to which your CFD Transaction relates can cause an immediate and substantial loss to you, including a loss far greater than the amount of your initial investment.

Order Risk

Orders are not guaranteed so reliance on an Order is a risk. It is your responsibility to manage Orders. Any Order which you have placed and have not cancelled may be filled by us and therefore you may incur losses as a result of that Order.

Gapping Risk

Gapping, otherwise known as Slippage, refers to an occurrence whereby the Quote moves from one price to the next price, through an Order level. This may be because the Underlying instrument to

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which the CFD Transaction relates has stopped trading and recommences trading at a price below or above a Stop Loss Order level, or may trade in insufficient size as represented by the size of your Order, for ForexCFDs to have been reasonably able to place a trade in the Underlying instrument. When Gapping occurs Orders are executed at the Quote based upon the first price that we are reasonably able to obtain in the Underlying instrument. Accordingly, where you have an Order you must understand the potential impact of Gapping.

Market Risk

The CFDs provided by ForexCFDs are over-the-counter (OTC) products. This means that they are not traded on a licensed financial market such as an Exchange. Therefore, by trading in OTC CFDs with us you will not have the benefit of some of the advantages of trading on a licensed market, such as having a central clearing house to guarantee our obligations to you.

Dealing Spread Risk

For the majority of CFDs we incorporate our fees in the Spread. There may be circumstances in which the Spread that we charge you to close a CFD Transaction maybe greater than the Spread that we charged you to open the CFD Transaction and vice-versa. In such a scenario you may face greater costs in closing a position than anticipated. Dealing Spread may vary depending on Trading Hours as listed in the Market Information Sheets and are subject to change in times of volatile market conditions.

Foreign Exchange Risk

CFDs are typically denominated in the currency of the relevant Underlying instrument. For instance, if you are trading in a CFD which had the Wall Street index as its Underlying instrument, it would be in US dollars. Whilst trading in foreign denominated CFDs you are exposed to foreign exchange risk, which is the risk that the proceeds of the trade will not be worth as much as they would have been at the onset of the CFD Transaction due to an adverse movement in the exchange rate.

Operational Risk

Our CFDs are typically traded over the internet which means that you are exposed to the operational risks associated with online trading such as the reliability of your internet connection, the stability of the Trading Platform and the reliability of network connections and computer hardware. Such system, Trading Platform or

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hardware failure could prevent you from implementing your desired trading strategy and could cause you to suffer loss. In the event of connectivity problems you can contact us immediately to manage your Account by telephone.

Volatility Risk

Financial markets can be very volatile. Unpredictable events can cause the market for an Underlying instrument to move rapidly on little to no trading activity. In such circumstances it may become very difficult, if not impossible, to execute your Orders according to your instructions or at all, which could cause you to suffer loss. In other circumstances there may be low trading volumes for the Underlying instrument to which the CFD Transaction relates and ForexCFDs, in accordance with the Client Agreement, may limit the size of CFD Transactions that we are able to provide, which presents a risk to you fulfilling your desired trading strategy.