

Risk Disclosure Statement

Please read the following Risk Warnings carefully.

This notice does not disclose all the risks and other significant aspects of derivative products such as foreign exchange. **You should also read the further information and warnings regarding foreign exchange in Schedules 4 of the Terms.**

You should not deal in derivatives unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in light of your circumstances and financial position. Although derivative instruments can be utilised for the management of investment risk, some of these products are unsuitable for many investors. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points:

1 Foreign exchange

The risk of loss in dealing in foreign exchange can be substantial and it is possible to lose more than your initial investment. If the market moves against your position, you may be called upon to deposit a substantial amount of additional margin funds, on short notice, in order to maintain your position. If you do not provide the required funds within the time required by us, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account. See Schedule 4 of the Terms for more information.

2 Contingent liability investment transactions

Contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If you trade in FX you may sustain a total loss of the margin you deposit with IGNIS to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit.

3 Commissions

Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable. If any charges are not expressed in money terms (but, for example, as a percentage of contract value), you should obtain a clear and written explanation to establish what the charges are likely to mean in specific money terms.

4 Suspensions of trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute an order at the stipulated price.

5 Insolvency

The insolvency or default of IGNIS, or that of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. On request, IGNIS must provide an explanation of the extent to which it will accept liability for any insolvency of, or default by, other firms involved with your transactions.

6 Trading facilities

Most open-outcry and electronic trading facilities are supported by computer-based component systems for order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms.

7 Electronic trading

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all.