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RISK DISCLOSURE STATEMENT

This brief statement does not disclose all of the risks and other significant aspects of trading CFDs for Differences ("CFD"). In light of the risks, you should undertake such transactions only if you understand the nature of CFDs and the contractual relationships into which you are entering and the extent of your exposure to risk. Trading in CFDs may not be suitable for many members of the public. You should carefully consider whether trading CFDs is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. In considering whether to trade CFDs, you should be aware of the following:

LEVERAGED CFD TRADING 1. EFFECT OF "LEVERAGE" OR "GEARING" Transactions in CFDs and precious metals carry a high degree of risk. The amount of initial margin is small relative to the value of the Contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit; this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds you deposit with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to deposit substantial additional funds on short notice in order to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit in your account.

2. RISK – REDUCING ORDERS OR STRATEGIES The placing of certain orders (e.g. "stop-loss" orders, where permitted under local law, or "stop-limit" orders) that are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. At times, it may also be difficult or impossible to liquidate a position without incurring substantial losses. Strategies using combinations of positions, such as "spread" and "straddle" positions, may be as risky as taking simple "long" or "short" positions.

3. SUSPENSION OR RESTRICTION OF TRADING AND PRICING RELATIONSHIPS Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits, government intervention or reasons beyond the counterparty's control) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions.

4. DEPOSITED CASH AND PROPERTY You should familiarize yourself with the protections accorded money or other property you deposit for the trading of CFDs, particularly in the event of your counterparty's insolvency or bankruptcy. The extent



to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property that had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

5. **COMMISSION AND OTHER CHARGES** Before you begin to trade, you should obtain a clear explanation of all commission, fees, markups, markdowns and other charges for which you will be responsible. These charges will affect your net profit (if any) or increase your loss.

6. **PRICE RISKS** The profit or loss in transactions in CFDs will be affected by fluctuations in price.

7. **PRINCIPAL'S MARKET** CFDs are not traded on a regulated market and therefore do not require open outcry. Instead, CFDs are traded in the over-the-counter dealer market. Integrated Markets LTD ("Integrated Markets LTD") is a dealer in CFDs and, as such, may be a counterparty to your transactions. You will therefore transact at prices established by Integrated Markets LTD. Even though Integrated Markets LTD quotations and prices are assisted by many computer-based component systems, its quotations and prices may vary due to market liquidity and may not be as favorable as those of other dealers. Integrated Markets LTD's trading facilities are supported by computer-based component systems for the order-routing, execution or matching of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses is subject to limits on liability set forth in the Integrated Markets LTD Client Agreement and the Online Services and Electronic Trading Agreement and the agreements of other dealers, banks or financial institutions which may at times act as your counterparty.

8. **ELECTRONIC TRADING** Trading on an electronic trading system may differ not only from trading in the 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.

9. **OFF – EXCHANGE TRANSACTIONS** In CFD transactions, firms are not restricted in effecting off-exchange transactions. Integrated Markets LTD will generally act as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk of a CFD position. For these reasons, these transactions may involve increased risks. Before you undertake CFD transactions,



you should familiarize yourself with applicable rules and attendant risks and the policies, procedures and agreements of the counterparty and attendant risks.