

Derivatives and Foreign Exchange Risk Warning

Trading in derivatives and foreign exchange involves a high level of risk due to the fluctuations possible in market conditions and in the range of factors that can affect the values of investments.

Due to the extreme leverage possible with derivatives, it is possible to make large losses even fully wiping out the account in extreme circumstances when large movements in financial markets occur in a direction opposite to that expected. Trading in derivatives and foreign exchange should only be undertaken by investors who understand the market risk and additional risks involved, which may also include;

- Market risk
- Liquidity risk
- Counter party risk
- Operational Risk
- Technological Risk
- Currency risk
- Client Default Risk
- Executional Error
- Anti-Money Laundering/Counter-Terrorism Financing Risk
- Interest rate risk
- Regulatory and Compliance Risk
- Risk that stop loss orders may not be filled at the desired level