

HIGH RISK INVESTMENT NOTICE FOR OTC DERIVATIVES

Retail over-the-counter (OTC) derivatives are derivative products offered to retail investors in order-execution-only accounts that include Offerings of Contracts-for-Difference and OTC Foreign Exchange Contracts (collectively, “CFDs”) under OSC Staff Notice 91-702 to investors in Ontario.

CFDs are highly speculative and not appropriate for risk-averse investors or those seeking income or security of capital. Your account opened with **OTT Financial Canada Inc. (“OTT”)** allows you to invest in CFDs of currencies, commodities and indices on a highly leveraged basis. A small adverse price change to the underlying asset can magnify the impact on the funds in your account, potentially resulting in the total loss of your initial investment and any additional funds that you may deposit to meet Margin Calls.

Given the risk of losing your entire investment, speculating in the CFD market should only be conducted with risk capital that if lost will not have a substantial impact on your financial well-being. Before making a decision to invest in CFDs, you should carefully consider all of the disclosures in the Client Agreement and, in particular, you should evaluate the risk factors listed in the *Risk Information Document for Derivatives* provided to you upon account opening.

Should you decide to proceed with your investment, you hereby acknowledge that:

- (a) You will risk only funds that you can afford to lose, and that the loss of such funds will neither jeopardize your present life-style nor future retirement.
- (b) The amount of risk funds for your account has been provided by you as your Risk Capital Limit on the New Client Application Form; and that your Risk Capital Limit is subject to review and approval by a Supervisor. **You should note that your possible losses in CFD Trading are not limited to your stated Risk Capital Limit.**
- (c) Upon material changes to your personal or financial condition that may impact our determination of your suitability for CFD Trading, you will provide the Company with your latest information by submitting a *Client Information Update Form* to us and a Supervisor will determine if your previously approved Risk Capital Limit continues to be appropriate for you, and your continuing suitability for CFD Trading in general.

CFDs are highly speculative may not be suitable for all investors. Please ensure you fully understand the risks involved and seek independent advice from a qualified financial advisor if necessary.