MARGIN RISK DISCLOSURE

Contracts-for-Difference (“CFDs”) are financial contracts that trade on margin. They allow you to gain economic exposure to a currency, commodity or index with a small deposit that represents only a fraction of the contract’s total value. While trading on margin can boost your profits, it may also amplify your losses that potentially outweigh your initial investment. So while the rewards can be substantial, it is important that you fully understand the risks involved in trading CFDs on margin.

Using borrowed money to finance the activity of trading securities or derivatives involves greater risk than using cash resources only. If you borrow money to trade securities or derivatives, you are responsible to repay the loan and pay interest (as required by its terms), even if the value of your account declines.

Liquidity may diminish significantly in fast and volatile markets, after news or economic announcements or other events, to the extent that you may incur a debit balance in your account as a result of your under-margined positions being liquidated in an illiquid market. You are responsible for immediately settling the debit balance in your account.

Trading OTC derivatives such as CFDs involves substantial risk of loss and is not suitable for all investors. You should seek the independent advice of a qualified financial advisor to help you determine whether trading CFDs on margin is suitable for you.