IG

RISK DISCLOSURE NOTICE

INTRODUCTION

This notice provides you with information about the risks associated with investment products, which you may invest in through services provided to you by IG Group entities, including IG Index Limited and IG Markets Limited (**'IG'**).

IG provides a wide range of investment services and products through different accounts:

- Spread bets are provided through a Spread Betting Account;
- Contracts for difference (**'CFDs'**) are provided through a CFD Account;
- Share Dealing services are provided through three different products: a Share Dealing Account, an IG Stocks and Shares ISA and an IG SIPP; and
- Discretionary management services are provided through an IG Smart Portfolio Account. These services can also be provided within an IG Stocks and Shares ISA and an IG SIPP,

(each an **'Account'** and together, the **'Accounts'**).

Spread bets and CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage.

76% of retail investor accounts lose money when trading spread bets and CFDs with this provider.

You should consider whether you understand how spread bets and CFDs work, and whether you can afford to take the high risk of losing your money.

All financial instruments involve an element of risk. The value of your investment may fall as well as rise and you may get back less than your initial investment.

To find out the risks which are relevant to the account you have chosen, please see the relevant sections below:

Section 1: Spread bets and CFDs (Retail clients)

Section 2: Spread bets and CFDs (Professional Clients)

Section 3: Share Dealing services (execution only)

Section 4: Discretionary Management services (IG Smart Portfolios)

Section 5: General Risks (applicable to all accounts)

This notice provides a general description of the risks of the products that you are able to trade, bet or invest in through your IG Accounts, and the services provided by IG.

This notice does not explain all of the risks involved in investment products or how such risks relate to your personal circumstances.

It is important that you fully understand the risks involved before making a decision to enter into a CFD or Spread bet (each a **'Contract'**) with us, or to buy or sell an instrument using our Share Dealing services (each a **'Transaction'**) or appoint us to manage investments for you through an IG Smart Portfolio. If you are in any doubt about the risks involved with your Account, you should seek professional advice.

If you choose to enter into a Contract with us, instruct us to conduct a Transaction on your behalf or appoint us to manage investments for you, it is important that you remain aware of the risks involved, that you have adequate financial resources to bear such risks and that you monitor your positions carefully.

SECTION 1: SPREAD BETS AND CFDs (RETAIL CLIENTS)

Spread bets and CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **76% of retail investor accounts lose money when trading spread bets and CFDs with this provider.** You should consider whether you understand how spread bets and CFDs work, and whether you can afford to take the high risk of losing your money.

CONTRACTS FOR DIFFERENCE (CFDs)

CFDs are a type of transaction the purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of an underlying instrument. Types of CFDs include but are not limited to, Foreign Exchange CFDs, Futures CFDs, Option CFDs, Share CFDs and Stock Index CFDs. CFDs can only be settled in cash.

Investing in a CFD carries a high degree of risk because the 'gearing' or 'leverage' often obtainable means that a relatively small movement in the market can lead to a proportionately much larger movement in the value of your investment and this can work against you, as well as for you. You may need to provide further funds with little or no notice. It is possible to lose all of the funds in your account.

SPREAD BETTING

A financial spread bet is an agreement to exchange the difference between the open and closing value of the bet. When you place a financial spread bet, you are speculating on the direction of the future price movements in an underlying instrument.

You specify an amount you want to bet on each point movement of the underlying instrument or index.

Investing in a spread bet carries a high degree of risk because the 'gearing' or 'leverage' often obtainable means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment and this can work against you, as well as for you. You may need to provide further funds with little or no notice . It is possible to lose all of the funds in your account.

NO ADVICE

Our services are provided on an execution only basis. We do not provide investment advice in relation to CFDs or spread bets. We sometimes provide factual information or research recommendations about a market, information about transaction procedures and information about the potential risks involved and how those risks may be minimised. However, any decision to use our products or services is made by you.

You are responsible for managing your tax and legal affairs including making any regulatory filings and payments and complying with applicable laws and regulations. We do not provide any regulatory, tax or legal advice. If you are in any doubt as to the tax treatment or liabilities of investment products available through your CFD or spread betting Account, you should seek independent advice.

APPROPRIATENESS

Before we enable you to trade on a CFD or spread bet account, we are required to make an assessment of whether the product(s) and/or services you have chosen are appropriate for you, and to warn you if, on the basis of the information you provide to us, any product or service is not appropriate. Any decision to open an account and to use our products or services is yours. It is your responsibility to understand the risks involved with our products or services.

During our application process, we will ask you for information about your financial assets and earnings. We do not monitor on your behalf whether the amount of money you have sent to us or your profits or losses are consistent with that information. It is up to you to assess whether your financial resources are adequate for your financial activity with us and your risk appetite in the products and services you use.

SPREAD BETS AND CFDs – GENERAL RISKS

Our spread bets and CFDs are not listed on any exchange. The prices and other conditions are set by us in accordance with our obligation to provide best execution as set out in our order execution policy, to act reasonably and in accordance with the applicable Customer Agreement. Each CFD or spread bet you open with us (including where you have opened a CFD via our Direct Market Access platform) results in you entering into a Contract with us. These Contracts can be closed only with us, and are not transferable to any other person. No Contracts provide any right to the underlying instruments or voting rights.

All Contracts you enter into with us are legally enforceable by both parties.

RANGE OF MARKETS

We offer our Contracts across a wide range of underlying markets. Although the prices at which you open Contracts are derived from the underlying market, the characteristics of our Contracts can vary substantially from the actual underlying market or instrument. Full details of all of our Contracts are set out in the Product Details section on our website, including: contract size, margin rates, last dealing time, settlement procedures, rollover procedures, commissions and currency.

NON-GUARANTEED STOPS

When a non-guaranteed stop is triggered it has the effect of issuing an order from you to us to close your Contract. Your Contract is not closed immediately when the stop is triggered. We aim to deal with such orders fairly and promptly but the time taken to fill the order and the level at which the order is filled depends upon the underlying market and the number of client orders triggered. In fast-moving markets, a price for the level of your order might not be available or the market might move quickly and significantly away from the stop level before we are able to fill it. To prevent this risk, guaranteed stops are available on certain Contracts.

CORPORATE EVENTS

We do not aim to make a profit from our clients from the outcome of corporate events such as rights issues, takeovers, mergers, share distributions or consolidations and open offers. We aim to reflect the treatment we receive, or, would receive if we were hedging our exposure to you in the underlying market.

Ultimately however, you are not dealing in the underlying market and therefore in relation to our Contracts:

- the treatment you receive may be less advantageous than if you owned the underlying instrument;
- we may have to ask you to make a decision on a corporate event earlier than if you owned the underlying instrument;
- the options we make available to you might be more restricted and less advantageous to you then if you owned the underlying instrument; and/or
- where you have a stop attached to your open share position, the treatment that you will receive from us will always, to the greatest extent possible, aim to preserve the economic equivalent of the rights and obligations attached to your Contract with us immediately prior to the corporate event taking place.

GOING SHORT ON INDIVIDUAL SHARES

Going short on an individual share via a CFD or spread bet carries some additional risks. These risks include but are not limited to:

- forced buy-back due to changes in regulatory or stock-borrowing conditions;
- imposition of, and increase in, borrowing charges over the lifetime of the Contract; and/or
- the obligation to take the other side of purchase opportunities (eg rights issues) afforded to clients who are long on the same stock. This might result in the obligation to go further short at unfavourable market prices.

In addition, you should be aware that corporate events affecting obligations of short sellers can often be announced at very short notice, leaving no opportunity (or choice) to close Contracts out and avoid participation.

GENERAL TRADING RISKS

Even though the characteristics of your Contract will vary from those of the underlying instrument or market, it is important that you understand the risks associated with trading in the relevant underlying market because fluctuations in the price of the underlying market will affect your instruments and the profitability of your trades. Spread bets and CFDs are financial products that allow you to speculate on price movements in underlying markets and although the prices at which you trade these products are set by us, our prices are derived from the underlying market. Please see Section 5 for more details.

PAST PERFORMANCE

Past performance is not an indication of future performance. The value of investments can go down as well as up.

CURRENCY

If you trade in a market denominated in a currency other than your base currency, currency exchange fluctuations will impact your profits and losses.

VOLATILITY

Movements in the price of underlying markets can be volatile. This will have a direct impact on your profits and losses. Knowing the volatility of an underlying market will help guide you as to where any Stops should be placed. It should be noted that volatility can be unexpected and unpredictable.

GENERAL TRADING RISKS (CONTINUED)

GAPPING

Gapping is a sudden shift in the price of an underlying market from one level to another. Various factors can lead to gapping (for example, economic events or market announcements) and gapping can occur both when the underlying market is open and when it is closed. When these factors occur when the underlying market is closed, the price of the underlying market when it reopens (and therefore our derived price) can be markedly different from the closing price, with no opportunity to sell your instruments before the market opens. Unlike a guaranteed stop, a non-guaranteed stop will not protect you against the risk of gapping.

MARKET LIQUIDITY

In setting our prices, spreads and the sizes in which we deal, we take into account the market or markets for the relevant underlying instruments. Market conditions can change significantly in a very short period of time, so that if you wish to sell an instrument or close a Contract, you may not be able to do so under the same terms as when you purchased or opened it. 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.

OUT-OF-HOURS MARKETS

During the out-of-hours sessions on index markets, our quotations reflect our own view of the prospects for a market. This could include referring to price movements in other relevant markets which are open. Furthermore, business done by other clients may itself affect our quotations. There may be nothing against which to measure our quotation at these times.

GEARING AND LEVERAGE

Before you are allowed to enter into a Contract with us, you will generally be required to deposit money with us – this is called the margin requirement. This margin requirement will usually be proportion of the overall Contract value, for example 10% of the total Contract value. This means that you will be using 'leverage' or 'gearing' and this can work for or against you; a small price movement in your favour can result in a high return on the margin requirement placed for the Contract, but a small price movement against you may result in substantial losses.

At all times during which you have open positions, you must ensure that your account balance, taking into account all running profits and losses, is equal to at least the total margin requirement that we require you to have deposited with us. Therefore, if our price moves against you, you may need to provide us with significant additional funds immediately to meet your margin requirement and maintain your open positions. If you do not do this, we will be entitled to close one or more or all of your positions. You will be responsible for any losses incurred as a result.

You should also be aware that under the applicable Customer Agreement we are entitled to increase margin rates at short notice. If we do so, you may be required to deposit additional funds into your account to cover the increased margin rates. If you do not do this, we will be entitled to close one or more or all of your positions.

The need to monitor your positions is of greater importance when you have entered into Contracts with us because of the effect of gearing. Gearing magnifies the rate at which profits or losses can be incurred and, as a result, it is important that you monitor your positions closely.

SECTION 2: SPREAD BETS AND CFDs (PROFESSIONAL CLIENTS)

Spread bets and CFDs are high risk financial products, which are not appropriate for many members of the public.

CONTRACTS FOR DIFFERENCE (CFDs)

CFDs are a type of transaction the purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of an underlying instrument. Types of CFDs include but are not limited to, Foreign Exchange CFDs, Futures CFDs, Option CFDs, Share CFDs and Stock Index CFDs. CFDs can only be settled in cash.

Investing in a CFD carries a high degree of risk because the 'gearing' or 'leverage' often obtainable means that a relatively small movement in the market can lead to a proportionately much larger movement in the value of your investment and this can work against you, as well as for you. You may need to provide further funds with little or no notice. It is possible to lose more money than you have deposited into the account.

SPREAD BETTING

A financial spread bet is an agreement to exchange the difference between the open and closing value of the bet. When you place a financial spread bet, you are speculating on the direction of the future price movements in an underlying instrument. You specify an amount you want to bet on each point movement of the underlying instrument or index.

Investing in a spread bet carries a high degree of risk because the 'gearing' or 'leverage' often obtainable means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment and this can work against you, as well as for you. You may need to provide further funds with little or no notice. It is possible to lose more money than you have deposited into the account.

NO ADVICE

Our services are provided on an execution only basis. We do not provide investment advice in relation to CFDs or spread bets. We sometimes provide factual information or research recommendations about a market, information about transaction procedures and information about the potential risks involved and how those risks may be minimised. However, any decision to use our products or services is made by you.

You are responsible for managing your tax and legal affairs including making any regulatory filings and payments and complying with applicable laws and regulations. We do not provide any regulatory, tax or legal advice. If you are in any doubt as to the tax treatment or liabilities of investment products available through your CFD or spread betting Account, you should seek independent advice.

APPROPRIATENESS

As a professional client, IG is allowed to assume that you have the necessary levels of experience and knowledge to transact with IG on a CFD or spread betting account.

During our application process, we will ask you for information about your financial assets and earnings. We do not monitor on your behalf whether the amount of money you have sent to us or your profits or losses are consistent with that information. It is up to you to assess whether your financial resources are adequate for your financial activity with us and your risk appetite in the products and services you use. Additionally, you are responsible for informing IG if you no longer meet the criteria to be considered a professional client.

SPREAD BETS AND CFDS – GENERAL RISKS

Our spread bets and CFDs are not listed on any exchange. The prices and other conditions are set by us in accordance with our obligation to provide best execution as set out in our order execution policy, to act reasonably and in accordance with the applicable Customer Agreement. Each CFD or spread bet you open with us (including where you have opened a CFD via our Direct Market Access platform) results in you entering into a Contract with us. These Contracts can be closed only with us, and are not transferable to any other person. No Contracts provide any right to the underlying instruments or voting rights.

All Contracts you enter into with us are legally enforceable by both parties.

RANGE OF MARKETS

We offer our Contracts across a wide range of underlying markets. Although the prices at which you open Contracts are derived from the underlying market, the characteristics of our Contracts can vary substantially from the actual underlying market or instrument. Full details of all of our Contracts are set out in the Product Details section on our website, including: contract size, margin rates, last dealing time, settlement procedures, rollover procedures, commissions and currency.

NON-GUARANTEED STOPS

When a non-guaranteed stop is triggered it has the effect of issuing an order from you to us to close your Contract. Your Contract is not closed immediately when the stop is triggered. We aim to deal with such orders fairly and promptly but the time taken to fill the order and the level at which the order is filled depends upon the underlying market and the number of client orders triggered. In fast-moving markets, a price for the level of your order might not be available or the market might move quickly and significantly away from the stop level before we are able to fill it. To prevent this risk, guaranteed stops are available on certain Contracts.

CORPORATE EVENTS

We do not aim to make a profit from our clients from the outcome of corporate events such as rights issues, takeovers, mergers, share distributions or consolidations and open offers. We aim to reflect the treatment we receive, or, would receive if we were hedging our exposure to you in the underlying market. Ultimately however, you are not dealing in the underlying market and therefore in relation to our Contracts:

- the treatment you receive may be less advantageous than if you owned the underlying instrument;
- we may have to ask you to make a decision on a corporate event earlier than if you owned the underlying instrument;
- the options we make available to you might be more restricted and less advantageous to you then if you owned the underlying instrument; and/or
- where you have a stop attached to your open share position, the treatment that you will receive from us will always, to the greatest extent possible, aim to preserve the economic equivalent of the rights and obligations attached to your Contract with us immediately prior to the corporate event taking place.

GOING SHORT ON INDIVIDUAL SHARES

Going short on an individual share via a CFD or spread bet carries some additional risks. These risks include but are not limited to:

- forced buy-back due to changes in regulatory or stock-borrowing conditions;
- imposition of, and increase in, borrowing charges over the lifetime of the Contract; and/or
- the obligation to take the other side of purchase opportunities (eg rights issues) afforded to clients who are long on the same stock. This might result in the obligation to go further short at unfavourable market prices.

In addition, you should be aware that corporate events affecting obligations of short sellers can often be announced at very short notice, leaving no opportunity (or choice) to close Contracts out and avoid participation.

GENERAL TRADING RISKS

Even though the characteristics of your Contract will vary from those of the underlying instrument or market, it is important that you understand the risks associated with trading in the relevant underlying market because fluctuations in the price of the underlying market will affect your instruments and the profitability of your trades. Spread bets and CFDs are financial products that allow you to speculate on price movements in underlying markets and although the prices at which you trade these products are set by us, our prices are derived from the underlying market. Please see Section 5 for more details.

PAST PERFORMANCE

Past performance is not an indication of future performance. The value of investments can go down as well as up.

CURRENCY

If you trade in a market denominated in a currency other than your base currency, currency exchange fluctuations will impact your profits and losses.

VOLATILITY

Movements in the price of underlying markets can be volatile. This will have a direct impact on your profits and losses. Knowing the volatility of an underlying market will help guide you as to where any Stops should be placed. It should be noted that volatility can be unexpected and unpredictable.

GAPPING

Gapping is a sudden shift in the price of an underlying market from one level to another. Various factors can lead to gapping (for example, economic events or market announcements) and gapping can occur both when the underlying market is open and when it is closed. When these factors occur when the underlying market is closed, the price of the underlying market when it reopens (and therefore our derived price) can be markedly different from the closing price, with no opportunity to sell your instruments before the market opens. Unlike a guaranteed stop, a non-guaranteed stop will not protect you against the risk of gapping.

MARKET LIQUIDITY

In setting our prices, spreads and the sizes in which we deal, we take into account the market or markets for the relevant underlying instruments. Market conditions can change significantly in a very short period of time, so that if you wish to sell an instrument or close a Contract, you may not be able to do so under the same terms as when you purchased or opened it. 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.

OUT-OF-HOURS MARKETS

During the out-of-hours sessions on index markets, our quotations reflect our own view of the prospects for a market. This could include referring to price movements in other relevant markets which are open. Furthermore, business done by other clients may itself affect our quotations. There may be nothing against which to measure our quotation at these times.

GEARING AND LEVERAGE

Before you are allowed to enter into a Contract with us, you will generally be required to deposit money with us – this is called the margin requirement. This margin requirement will usually be a relatively modest proportion of the overall Contract value, 10% of the Contract value, for example. This means that you will be using 'leverage' or 'gearing' and this can work for or against you; a small price movement in your favour can result in a high return on the margin requirement placed for the Contract, but a small price movement against you may result in substantial losses.

At all times during which you have open positions, you must ensure that your account balance, taking into account all running profits and losses, is equal to at least the total margin requirement that we require you to have deposited with us. Therefore, if our price moves against you, you may need to provide us with significant additional funds immediately to meet your margin requirement and maintain your open positions. If you do not do this, we will be entitled to close one or more or all of your positions. You will be responsible for any losses incurred as a result.

You should also be aware that under the applicable Customer Agreement we are entitled to increase margin rates at short notice. If we do so, you may be required to deposit additional funds into your account to cover the increased margin rates. If you do not do this, we will be entitled to close one or more or all of your positions.

Unless you have taken steps to place an absolute limit on your losses (for example, by attaching a guaranteed stop) it is possible for adverse market movements to result in the loss of the whole of your account balance and more, so that you owe additional money to us. We offer a range of risk management tools to help you to manage this risk.

The need to monitor your positions is of greater importance when you have entered into Contracts with us because of the effect of gearing. Gearing magnifies the rate at which profits or losses can be incurred and, as a result, it is important that you monitor your positions closely.

DIGITAL 100s & SPRINTS

Digital 100s & Sprints are both Binary products. Binary bets are a type of financial spread bet that can be placed through a Spread Betting Account, Binary Options are a type of CFD available on a CFD Account (collectively 'Binaries'). Binaries share many of the same trading risk characteristics as Spread Bets and CFDs, but due to the different pay out structure there are some different features to be aware of:

- There is no effect of leverage.
- For some types of Binary you will not be able to close the position prior its expiry time.

When trading binaries your capital is at risk. Whilst the amount you can win or lose when trading binaries is fixed there is potential to make substantial losses. This can include losing your entire initial investment.

SECTION 3: SHARE DEALING SERVICES (EXECUTION ONLY)

IG's Share dealing services are offered through Share Dealing Accounts, IG Stocks and Shares ISA and IG SIPPs. Our Share dealing services allow you to instruct us to buy or sell financial instruments (Shares and Exchange Traded Products) on your behalf.

All instruments offered through our Share Dealing Services are listed on an exchange, which means that the prices are not set by us. We will act on any instruction that you provide us to buy or sell an instrument on your behalf in accordance with our obligation to provide best execution as set out in our order execution policy, to act reasonably and in accordance with the applicable Customer Agreement. We may place your instructions to deal outside of an exchange if this satisfies our order execution policy.

As part of our service, we will arrange for the custody of your instruments.

All investments purchased for you or transferred to us by you into your IG Share Dealing Account or IG Stocks and Shares ISA, will be purchased in the name of and/or held by a nominee company selected by us, for the benefit of you.

Investments purchased for you or transferred to us by you into your IG SIPP Account will be purchased in the name of and/or held by a nominee company selected by us for the benefit of the trustee(s) of your SIPP.

As investments will be held in the name of a nominee company, you may not have voting rights which you would have had if you held the investment in your own name.

All financial investments involve an element of risk. The value of any investment you make through our Share dealing services may fall as well as rise and you may get back less than your initial investment. Past performance is not an indication of future performance.

)The risks you are exposed to will vary according to the instruments you instruct us to buy and sell on your behalf.

You should be aware that:

- physical shares admitted to trading on a regulated market are not high risk financial products; and
- many Exchange Traded Funds (ETFs) are not high risk financial products;
- exchange Traded Commodities (ETCs) and certain ETFs are considered high risk financial products, normally due to their use of derivatives, and are not appropriate for many members of the public.

Currency Risk: If you trade in a market denominated in a currency other than your base currency, currency exchange fluctuations will impact your profits and losses.

Liquidity Risk: Under certain market 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.

NO ADVICE

Our services are provided on an execution only basis. We do not provide investment advice in relation to Share dealing services or products available for you to trade through our Share dealing services, such as Shares or ETFs. We sometimes provide factual information or research recommendations about a market, information about transaction procedures and information about the potential risks involved and how those risks may be minimised. However, any decision to use our products or services is made by you.

You are responsible for managing your tax and legal affairs including making any regulatory filings and payments and complying with applicable laws and regulations. We do not provide any regulatory, tax or legal advice. If you are in any doubt as to the tax treatment or liabilities of investment products available through your Share Dealing Account, IG ISA or IG SIPP, you should to seek independent advice.

APPROPRIATENESS

The majority of instruments in which you can invest through our Share dealing services are considered 'non-complex' and are not high risk financial products. However, because ETCs, Exchange Traded Notes and certain ETFs are considered high risk financial products, where we make these available to you we are required to make an assessment of whether these products are appropriate for you, and to warn you if, on the basis of the information you provide to us, that they are not appropriate. We will usually do this before you are able to invest in high risk products. Any decision to open an account and to use our products or services is yours. It is your responsibility to understand the risks involved with our products or services.

During our application process, we will ask you for information about your financial assets and earnings. We do not monitor on your behalf whether the amount of money you have sent to us or your profits or losses are consistent with that information. It is up to you to assess whether your financial resources are adequate for your financial activity with us and your risk appetite in the products and services you use.

INVESTMENT SPECIFIC RISKS

SHARES

Shares, known as equities, represent a portion of a company's share capital. The extent of your ownership in a company depends on the number of shares you own in relation to the total number of shares in issue.

Shares are bought and sold on stock exchanges and their values can go down.

In respect of shares in smaller companies, there is an extra risk of losing money when such shares are bought or sold. There can be a big difference between the buying and selling price of these shares. If they have to be sold immediately, you may get back much less than you paid for them.

Shares in companies incorporated in emerging markets may be harder to buy and sell than those shares in companies in more developed markets and such companies may also not be regulated as strictly.

EXCHANGE TRADED FUNDS (ETFs)

ETFs are open ended collective investment schemes ('CIS') that trade throughout the day like a share on the secondary market (i.e. through an exchange). Each ETF seeks to track a benchmark and holdings are not altered in rising or falling markets, so when the benchmark falls in value, the ETF will too. ETFs can be physical (where the fund invests directly in the underlying assets that comprise the index) or synthetic (where the fund gains exposure to the index by entering into a swap agreement with a counterparty).

You should read the terms of any key investor information document or prospectus carefully before deciding on an investment. The value of ETFs can fall as well as rise, and you could get back less than you initially invest. It is your responsibility to ensure that you fully understand the contents of the documentation provided and if you are in any doubt you should seek professional advice.

The risks of each ETF are dependent on the benchmark the ETF seeks to track (i.e. what the ETF itself is invested in). For example, ETFs which invest in emerging markets are often subject to higher levels of volatility than those invested in the developed world and the price of ETFs which invest in bonds will likely change if interest rates do. ETFs that focus on a specific country or sector may display greater volatility than those tracking the the wider market and so should be considered as higher risk than more diversified ETFs. However, there are no guarantees that an ETF will have the same characteristics as the benchmark index and the returns will vary from that of the benchmark index.

The use of derivatives within some ETFs means that these products may not be appropriate for many investors. Their characteristics may differ more widely from the benchmark index than those which do not use derivatives and they should be considered higher risk. In relation to ETFs that you may purchase through your Share Dealing Account, IG Stocks and Shares ISA or IG SIPP Account, you do not have any right to the underlying instruments.

It may not be possible to trade units or shares in ETFs if there is no liquid market. If there is low liquidity in the market then you may not be able to buy or sell units at a price considered to be fair.

Any income you receive from your investment in an ETF may vary with the dividends or interest paid by the underlying investments and so could fall as well as rise.

Full details of the ETFs offered are set out in the Product Details on our website.

EXCHANGE TRADED COMMODITIES

ETCs are non-CIS exchange traded products and as such, are generally subject to less regulation than ETFs. This means that you might have less investor protection if you chose to invest in ETCs. ETCs follow the price movement of the underlying asset (usually the price of a commodity) and can gain exposure to a wide range of markets without the cost of investing directly. ETCs can be physical (where the fund invests directly in the underlying assets that comprise the index) or synthetic (where the fund gains exposure to the index by entering into a swap agreement with a counterparty).

The characteristics of ETCs can vary substantially from the underlying market to which they provide exposure. As with shares, the value of your investment can go down as well as up and you might not get back the original amount you invested. The use of derivatives within some ETCs means that these products may not be appropriate for many investors and they should be considered higher risk.

It may not be possible to trade shares in ETCs if there is no liquid market. If there is low liquidity in the market then you may not be able to buy or sell units at a price considered to be fair.

In relation to ETCs that you may purchase through your Share Dealing Account, Stocks and Shares ISA or SIPP Account you do not have any right to the underlying instruments.

COLLATERAL RISKS (PROFESSIONAL CLIENTS ONLY)

When you enter into the Collateral Customer Agreement with us, we agree to take security over the assets in your Share Dealing Account in place of cash for payment of margin on your linked CFD Account or Spread Betting Account as applicable.

The value of shares, CFDs and spread bets will rise and fall. If the collateral value of the assets in your Share Dealing Account, together with any cash on your linked CFD Account or Spread Betting Account as applicable, falls below the amount required to maintain your open positions, you may be closed out of your spread bet or CFD positions on that linked account, and we will have the right to sell the assets in your Share Dealing Account in order to pay for any resulting deficit.

COLLATERAL RISKS (PROFESSIONAL CLIENTS ONLY) (CONTINUED)

As the value of the assets in your Share Dealing Account fluctuates, the value of the collateral that you can utilise as margin will also fluctuate. You will need to monitor your Share Dealing Account and your linked CFD Account or Spread Betting Account to ensure that the collateral value and any cash you have deposited on your linked CFD Account or Spread Betting Account is sufficient to fund your open positions on that account.

You will only be able to use our collateral services to cover margin requirements on open positions on your linked Spread Betting Account or CFD Account and you will need to cover any running losses using the available cash in your linked Spread Betting Account or CFD Account.

SECTION 4: DISCRETIONARY MANAGEMENT SERVICES (IG SMART PORTFOLIOS)

IG's discretionary investment management services are provided through IG Smart Portfolios. IG Smart Portfolios can be held in an IG Smart Portfolio general investment account, an IG Stocks and Shares ISA and an IG SIPP.

These services allow you to appoint IG to manage investments in ETFs on your behalf in seeking a specific investment objective. As part of our service, we will arrange for the custody of your instruments. All investments bought or transferred to us on your behalf in your IG Smart Portfolio will be purchased in the name of and/or held by a nominee company selected by us, for the benefit of you unless your IG Smart Portfolio is held in an IG SIPP, in which case they will be held by a nominee company selected by us for the benefit of the trustee(s) of your SIPP. We are not obliged to but we may tell you of, or arrange the exercise of any voting rights attaching to Instruments we hold on your behalf, whether exercisable at an annual general meeting or otherwise.

All financial investments involve an element of risk. The value of your IG Smart Portfolio may fall as well as rise and you may get back less than your initial investment. Past performance is not an indication of future performance and should not be the sole factor of consideration when making an investment decision.

The specific risks to which you are exposed to will depend on the underlying investments held in your IG Smart Portfolio. These investments will be Exchange Traded Funds ('ETFs'). More information about the risks of investing in ETFs is below.

ADVICE

In order to guide you to the right IG Smart Portfolio, we will present you with a series questions to assess your attitude to investing. This will allow us to 'match up' your answers to one of our predetermined IG Smart Portfolios. This does not constitute a personal recommendation specifically for you – it only matches you up with a pre-determined portfolio which most people with a similar risk score to you would be recommended. **It does not take into account your wider financial situation or investment needs.**

We sometimes provide factual information about IG Smart Portfolios and the underlying investment held, information about the potential risks involved and information on which portfolio other clients with a similar risk tolerance to you may choose. However, any decision to use our products or services is made by you. You are responsible for managing your tax and legal affairs, including making any regulatory filings, payments and complying with applicable laws and regulations. We do not provide any investment, tax or legal advice. If you are in any doubt as to the tax treatment or liabilities of investment products available through your IG Smart Portfolio, you should seek independent investment, financial or legal advice.

SUITABILITY

Before we can manage investments on your behalf, we are obliged to undertake an assessment to ensure that the transactions we instruct on your behalf are suitable for you. This includes assessing your knowledge and experience, investment objectives (including risk tolerances) and financial situation where they are relevant to IG Smart Portfolios. Please be aware that, given the limited nature of IG Smart Portfolios, we are not obliged to make a comprehensive assessment of your financial situation and other investments. Therefore our assessment in relation to your IG Smart Portfolio does not take into account for example your broader investment portfolio or level of debt.

It is up to you to assess whether your broader financial resources are adequate for your financial activity with us in the products and services you use. It is your responsibility to understand the risks involved with our products or services.

RISKS OF EXCHANGE TRADED FUNDS (ETFs) WITHIN A SMART PORTFOLIO

ETFs are open ended collective investment schemes ('CIS') that trade throughout the day like a share on the secondary market (i.e. through an exchange). Each ETF seeks to track a benchmark and holdings are not altered in rising or falling markets, so when the benchmark falls in value, the ETF will too. ETFs and can be physical (where the fund invests directly in the underlying assets that comprise the index) or synthetic (where the fund gains exposure to the index by entering into a swap agreement with a counterparty).

The value of ETFs can fall as well as rise, and you could get back less than you initially invest. The specific risks of each ETF are dependent on the benchmark the ETF seeks to track (i.e. what the ETF itself is invested in). For example, if an ETF trades in a currency which is different to the base currency of your IG Smart Portfolio, change in foreign exchange rates will impact the performance of your portfolio. ETFs which invest in emerging markets are often subject to higher levels of volatility than those invested in the developed world and the price of ETFs which invest in bonds will likely change if interest rates do. ETFs that focus on a specific country or sector may display greater volatility than those tracking the wider market and so should be considered as higher risk than more diversified ETFs. However, there are no guarantees that an ETF will have the same characteristics as the benchmark index and the returns will vary from that of the benchmark index.

The use of derivatives within some ETFs means that these products may not be appropriate for many investors. Their characteristics may differ more widely from the benchmark index than those which do not use derivatives and they should be considered higher risk. It may not be possible to trade units or shares in ETFs if there is no liquid market. If there is low liquidity in the market then we may not be able to buy or sell units at a price considered to be fair, which could have a negative impact on the value of your portfolio.

Any income you receive from your investment in an ETF may vary with the dividends or interest paid by the underlying investments and so could fall as well as rise.

In relation to ETFs that you hold in your IG Smart Portfolio, you do not have any right to the underlying instruments.

More information about a specific ETF, including the risks of investing, can be found on our website in the key investor information document or prospectus which you should read carefully before deciding on an investment.

Full details of the ETFs held in your IG Smart Portfolio are available with the IG Smart Portfolio platform on our website.

SECTION 5: GENERAL RISKS (APPLICABLE TO ALL ACCOUNTS)

NEED TO MONITOR POSITIONS

It is important that you monitor all of your positions closely. It is your responsibility to monitor your positions and during the period that you have any open Contracts or Transactions, you should always have the ability to access your Accounts.

ELECTRONIC COMMUNICATIONS

We offer you the opportunity to deal and communicate with us via electronic means, for example by our dealing platform and, in certain circumstances, by email. Although electronic communication is often a reliable way to communicate, no electronic communication is entirely reliable or always available. If you choose to deal with us via electronic communication, you should be aware that electronic communications can fail, can be delayed, may not be secure and/or may not reach the intended destination.

OUR SERVICES

Instructions to deal from you to us form a commitment which may only subsequently be revoked by you with our prior consent (such consent will not be unreasonably withheld) at any time before the instruction to deal is executed.

CLEARING HOUSE PROTECTIONS

On many exchanges, the performance of a transaction by us (or third-party with whom we are dealing on your behalf) is 'guaranteed' by the exchange or clearing house and we may have the benefit of certain legal protections from our clearing member. However, it is unlikely that in most circumstances this guarantee or legal protections will cover you, the customer, and may not protect you if we or, another party were to default on obligations owed to you.

INSOLVENCY

The insolvency or default of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets that you have invested and you may have to accept any available payments in cash. On request, we will provide you with an explanation of the extent to which we will accept liability for any insolvency of, or default by, other firms involved with your transactions.

DEFAULT

Spread Betting Accounts are provided by IG Index Limited. CFD Accounts, IG Share Dealing Accounts, IG Smart Portfolio Accounts, IG SIPPs and IG ISAs are provided by IG Markets Limited. In the unlikely event of IG suffering a financial default and not being able to meet its obligations, IG is a member of the UK Financial Services Compensation Scheme which covers the first £50,000 of any claim to the relevant firm. Whether you are able to claim depends on the type of business and your personal circumstances.

TAX

Our current understanding of applicable UK tax law is that spread bets are taxed as bets not as capital gains. This can be advantageous when you make profits. However, the tax treatment may change and is subject to HMRC interpretation in individual cases. We do not provide tax advice and if you are in any doubt as to your tax obligations, you should seek independent advice.

REGULATORY AND LEGAL RISK

The risk that a change in laws and regulations will materially impact a security and investments in a sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape and as such alter the profit potential of an investment.

This risk is unpredictable and may vary from market to market. In emerging markets such risk may be higher than in more developed markets. For example in emerging markets the inadequacy or absence of regulatory measures can give rise to an increased danger of market manipulation, insider trading or the absence of financial market supervision can affect the enforceability of legal rights.

IG is a trading name of IG Markets Limited and IG Index Limited.
Share Dealing services, discretionary management services and
CFDs provided by IG Markets Limited, spread betting provided by IG Index Limited.

IG MARKETS LIMITED Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA
T 0800 195 8009 or +44 20 7633 5320 **E** helpdesk.uk@ig.com **W** IG.com