RISK DISCLOSURE NOTICE

You are considering dealing with IG Markets South Africa Limited (**'we'**, **'our'**, **'us'**) in Contracts for Difference (**'CFDs'**). CFDs are high risk investments, which are not suitable for many members of the public.

This notice provides you with information about the risks associated with CFDs, but it cannot explain all of the risks nor how such risks relate to your personal circumstances. If you are in any doubt you should seek professional advice. It is important that you fully understand the risks involved before making a decision to enter into a trading relationship with us.

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 CFDs with this provider.** You should consider whether you understand how CFDs work, and whether you can afford to take the high risk of losing your money.

If you choose to enter into a trading relationship with us, 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.

GEARING AND LEVERAGE

Before you open a CFD trade with us we will generally require you to lodge money with us as Margin. Margin 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 trading 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 placed for the trade, but a small price movement against you may result in substantial losses.

At all times during which you have open trades, you must ensure that your account balance, taking into account all running profits and losses, is equal to at least the total Margin that we require you to have paid us. Therefore, if our price moves against you, you may need to provide us with substantial additional Margin, at short notice, to maintain your open trades. If you do not do this, we will be entitled to close one or more or all of your trades. You will be responsible for any losses incurred.

You should also be aware that under our 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 trades.

Unless you have taken steps to place an absolute limit on your losses (for example, by entering into a Limited Risk transaction) it is possible for adverse market movements to result in the loss of the whole of your Margin 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.

NEED TO MONITOR POSITIONS

Because of the effect of gearing and therefore the speed at which profits or losses can be incurred it is important that you monitor your positions closely. It is your responsibility to monitor your trades and while you have open trades you should always be in a position to do so.

CFDS ARE OVER-THE-COUNTER (OTC) DERIVATIVES

Our CFDs are not made on any exchange and are not governed under the FAIS Act. The prices and other conditions are set by us, subject to any obligations we have to act reasonably and in accordance with our customer agreement. Each CFD trade that you open through our trading service (including where you have opened your CFD trade via our DMA platform) results in you entering a contract with us; these contracts can only be closed with us and are not transferrable to any other person. We will act as principal and not as agent on your behalf.

This means that you may be exposed to the risk of our default.

NO RIGHT TO THE UNDERLYING

Our CFDs do not provide any right to the underlying instruments or to voting rights.

NO ADVICE

Unless agreed separately in writing, we do not provide investment advice nor FAIS intermediary services relating to investments or possible transactions in investments. We are permitted to provide factual market information and information about transaction procedures, potential risks involved and how those risks may be minimized, but, any decisions made must be yours.

RANGE OF MARKETS

We offer CFDs on a wide range of underlying South African share indices. Our prices are derived from the underlying markets but the details of our CFDs can vary substantially from those of the actual underlying market or instrument. Full details of our CFDs are set out in the Contract Details, including: contract size; our Margin levels, contract settlement, currency details.

FLUCTUATIONS IN THE UNDERLYING MARKET

CFDs are financial instruments that allow you to speculate on price movements in underlying markets. Although the prices at which you trade CFDs are set by us, our prices are derived from the underlying market. It is important therefore that you understand the risks associated with trading in the relevant underlying market because fluctuations in the price of the underlying market will effect the profitability of your trade. Some such risks include:

volatility: movements in the price of underlying markets can be volatile and unpredictable. 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.

gapping: 'gapping', is a sudden shift in the price of an underlying 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 close your trade in-between. **'Gapping'** can result in a significant loss (or profit). A Non-guaranteed Stop will not protect you against this risk whereas a Guaranteed Stop will protect you against the market gapping.

Market liquidity: In setting our prices, spreads and the sizes in which we will deal we take account of 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 close a contract we might not be able to do so under the same terms as when you opened it.

COSTS AND CHARGES

Our costs and charges will be provided to you or set out on our website. Please be aware of all costs and charges that apply to you, because such costs and charges will affect your profitability.

NON-GUARANTEED STOPS

When a Non-guaranteed Stop is triggered it has the effect of issuing an order by you to close your position. It is therefore 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 level at which the order is filled depends upon the underlying market. 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 fill it.

IG Markets South Africa Limited, authorised and regulated by the Financial Sector Conduct Authority (in South Africa).
IG Markets Limited, authorised and regulated by the Financial Conduct Authority (in the UK).

CORPORATE ACTIONS

We do not aim to make a profit from our clients from the outcome of corporate events such as rights issues, takeovers and 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. However:

- 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 CFD 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 CFD position with us immediately prior to the corporate event taking place.

GOING SHORT OF INDIVIDUAL SHARES

Going short of an individual share carries some additional risks that don't apply to clients who are long of individual shares. 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 trade;
- the obligation to take the other side of purchase opportunities (eg rights issues) afforded to clients who are long of 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 positions out and avoid participation.

ELECTRONIC COMMUNICATIONS

We offer you the opportunity to trade and communicate with us via electronic means, for example by our Puredeal trading platform and 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.

IG MARKETS SOUTH AFRICA LIMITED The Place, 1 Sandton Drive, Sandton, Gauteng, 2196, South Africa **T** +27 (0)10 344 0053 **F** +27 (0)11 467 8501
E helpdesk.za@ig.com **W** IG.com

IG MARKETS LIMITED Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA
T 0800 195 8009 or +44 20 7633 5320 **F** +44 20 7896 0010 **E** helpdesk.uk@ig.com **W** IG.com