IG

RISK DISCLOSURE NOTICE

CFDs are high risk financial products, which are not suitable for many members of the public.

This notice provides you with information about the risks associated with IG Bank S.A.'s (**'we'**, **'our'**, **'us'**) CFDs. This notice does not explain all of the risks nor how such risks relate to your personal circumstances and therefore, 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 any CFDs.

Most importantly, if you choose to enter into CFDs 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 are allowed to enter into a CFD with us, you will generally be required to lodge 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 position, 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 paid us. Therefore, if our price moves against you, you may need to provide us with substantial additional margin requirement, at short notice, to 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.

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 positions.

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 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.

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 positions and while you have open positions you should always be in a position to do so.

CFDs ARE OVER-THE-COUNTER (OTC)

Our CFDs are not listed on any exchange. The prices and other conditions are set by us, to act reasonably and in accordance with our customer agreement and with our order execution policy. Each position you open with us (including where you have opened a CFD via our DMA platform) results in you entering a contract with us; these contracts can be closed only with us, and are not transferable to any other person.

This also means that you may be exposed to the risk of our default. In this unlikely event then the first CHF 100,000 of any money you deposit with us, including your net running profits, will be protected.

NO RIGHT TO THE UNDERLYING

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

NO ADVICE

We do not provide investment advice relating to investments or possible transactions in investments. We sometimes provide factual market information and information about transaction procedures, potential risks involved and how those risks may be minimised, but, any decisions made must be yours.

APPROPRIATENESS

Before we open an account for you, we will make an assessment of whether the product(s) you have chosen are appropriate for you, and to warn you if, on the basis of the information you provide to us, it is not appropriate. Any decision whether or not to open an account, and on whether or not you understand the risks is yours.

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 and what level of risk to take.

RANGE OF MARKETS

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

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 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:

currency: if you trade in a market other than your base currency market, currency exchange fluctuations will impact your profits and losses;

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', 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 are 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.

CORPORATE EVENTS

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. Ultimately however, you are not dealing in the underlying market and therefore:

- 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, 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 trade with us immediately prior to the corporate event taking place

GOING SHORT OF INDIVIDUAL SHARES

Going short of an individual share via a CFD 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 deal and communicate with us via electronic means, for example by our dealing 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 Bank S.A. 42 Rue du Rhône, 1204 Geneva
T 022 888 10 12 **F** 022 594 81 22 **E** support@igbank.ch **W** IG.com