

Risk Disclosure

Risk disclosure statement

This brief statement does not disclose all the risks and other significant aspects of trading in securities and other property relating to cash, shares, stocks, corporate, public and government bonds, exchange-traded equities options and any other financial instruments (whether certificated or uncertificated) that are admitted to trading on a financial market, as well as any related contracts for the present or future delivery of such securities (or the value of which is calculated by reference to the price of such securities) and any and all rights and entitlements thereto.

Trading in securities and other property is highly speculative and involves a significant risk of loss. Such trading is not suitable for all investors so you (hereinafter referred to as “the Customer”, “you, “your”) must ensure that you fully understand the risks before trading. You should carefully consider your investment goals, level of experience, and risk appetite. Your potential liability is unlimited and there is a possibility that you can lose some or all of your initial investment and any profit and therefore you should not invest money that you cannot afford to lose.

Capital Investments, (hereinafter referred to as “the Company”, “we”, “our”) wishes to emphasize that past results are not necessarily indicative of future results. You should not deal in derivatives unless you understand the nature of the contract you are entering into and the extent of the exposure to risk. You should also be satisfied that the contract is suitable for you in the light of your circumstances and financial position.

You should undertake such transactions only if you understand the nature of the trading which you are about to engage in and the extent of your exposure and risk.

In consideration of the Company agreeing to provide regulated financial services to you under the terms and conditions of the customer agreement between us, you acknowledge, understand and agree that:

1. High leverage and low margins can lead to quick losses

The high leverage and low margin associated with spot forex and other OTC transactions can result in significant losses due to price changes in foreign exchange contracts/transactions and cross currency

contracts/transactions. A small price movement in your favour can provide a high return on the deposit, however, a small price movement against you may result in significant losses which could exceed the money placed on deposit. Such losses can occur quickly.

2. Risks associated with Futures

Transactions in futures involve the obligation to make, or to take delivery of the underlying asset of the contract at a future date, or in some cases to settle your position with cash. They carry a high degree of risk. The “gearing” or “leverage” often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market 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. Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements.

3. Risks associated with Options

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of off-exchange option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs.

There are many different types of options with different characteristics subject to different conditions:

- **Buying options:**

Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if you buy a call option on a futures contract and you later exercise the option, you will acquire the future. This will expose you to the risks described under “futures” and “contingent liability transactions”. The purchaser of options may offset or exercise the options or allow the options to expire depending on the nature and the type of option purchased. The exercise of an option will not always result in a cash settlement. In some instances, the purchaser may acquire a spot position with associated liabilities for margin. If the purchased options expire worthless, you will suffer a total loss of your investment, which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote. The purchaser is subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

- **Selling options:**

Selling an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is

'covered' by the seller holding a corresponding position in the underlying currency or another option, the risk may be reduced. If the option is not covered, the risk can be unlimited.

- **Writing options:**

If you write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position and a loss may be sustained well in excess of any premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price. If you already own the underlying asset that you have contracted to sell (known as "covered call options") the risk is reduced. If you do not own the underlying asset (known as "uncovered call options") the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

- **Traditional options:**

A particular type of option called a "traditional option" is written by certain London Stock Exchange firms under special exchange rules. These may involve greater risk than other options. Two-way prices are not usually quoted and there is no exchange market on which to close out an open position or to effect an equal and opposite transaction to reverse an open position. It may be difficult to assess its value or for the seller of such an option to manage his exposure to risk. Certain options markets operate on a margined basis, under which purchasers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

4. Risks associated with Contracts for Difference

Some futures and options contracts can also be referred to as "contracts for difference". These can be options and futures on an index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for difference carries the same risks as investing in a future or an option. Transactions in contracts for difference may also incur contingent liabilities.

5. Risks associated with Warrants

A warrant is a time-limited right to subscribe for shares or debentures and is exercisable against the original issuer of the securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, favorable or unfavorable, in the price of the warrant. The prices of warrants can therefore be volatile. It is essential for anyone who is considering purchasing a warrant to understand that the right to subscribe which a warrant confers is invariably limited in time, with the consequence that if you fail to exercise this right within the predetermined time-scale then the investment becomes worthless. You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a “covered warrant”).

6. Off-exchange transactions

It may not always be apparent whether or not a particular derivative is on or off-exchange. While some off-exchange markets are highly liquid, transactions in off-exchange or “non-transferable” derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk.

Transactions in off-exchange warrants may involve greater risk than dealing in exchange traded warrants because there is no exchange market through which to liquidate your position, to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what a fair price is.

7. Margining requirements

You must maintain the minimum margin requirement on the open positions of the securities and other property held in your account at all times. It is your responsibility to monitor your account balance. We have the right to liquidate any or all open positions whenever the minimum margin requirement is not maintained and this may result in your contract for difference, spot forex, warrants, options and futures contracts/transactions being closed at a loss for which you will be liable.

8. Liquidation of positions

Positions may be liquidated or closed out without your consent in the event you fail to meet a margin call. Additionally, the insolvency or default of any broker involved in 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 which you lodged as collateral and you may receive any available payment in cash.

9. Contingent liability transactions

Contingent liability transactions which are margined require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

If you trade in futures or contracts for difference or sell options you may sustain a total loss of the margin you deposit with your broker to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so

within the time required, your position may be liquidated at a loss and you will be liable for any resulting deficit.

Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract. Contingent liability transactions which are not traded on or under the rules of a recognized or designated investment exchange may expose you to substantially greater risks than those which are so traded.

10. Foreign Markets and Currency Risk

Foreign markets will involve different risks, In some cases the risks will be greater. The value of any investment in financial instruments may fluctuate downwards or upwards and a particular instrument may become worthless.

The profit or loss in transactions in foreign currency denominated contracts/transactions (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

In some cases, currency fluctuations may result in you suffering a loss even though an investment (denominated in its local currency) has increased in value.

11. Collateral

If you deposit collateral as security, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral depending on whether you are trading on a recognized or designated investment exchange, with the rules of that exchange (and associated clearing house) applying, or trading off exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. You may not get back the same assets which you deposited and may receive any payment in cash. You may also be subject to credit risk in respect of the entity or entities holding your collateral.

12. Prices, Margin and Valuations are set by the Company and may be different from prices reported elsewhere

We will provide prices to be used in trading, valuation of Customer positions and the determination of margin requirements. Prices reported by the Company may vary from prices available in the market. We exercise discretion in setting and collecting the margin. We are authorized to convert funds in your account for margin into and from such foreign currency at a rate of exchange determined by the Company in our sole discretion on the basis of the prevailing money market rates.

13. One click trading and Immediate Execution

Our online trading system provides immediate transmission of customer orders once the customer enters the notional amount and clicks “Buy/Sell.” This means that there is no opportunity to review the order after clicking “Buy/Sell” and market orders cannot be cancelled. This feature may be different from other trading systems you have used. By using our order entry system you agree to the one-click system and accept the risk of this immediate transmission feature.

14. Telephone Orders

We are not responsible for disruption, failure or malfunction of telephone facilities and do not guarantee our telephone availability.

15. Telephone Orders and Immediate Execution

Market orders executed through the trading desk by telephone are completed when the Company’s telephone operator says “deal” or “done” following customer’s placing of an order. Upon such confirmation of the telephone operator, you have bought or sold and cannot cancel the market order. By placing market orders through the trading desk, you agree to such immediate execution and accept the risk of this immediate execution feature.

16. Internet Trading

There are risks associated with utilizing internet based deal execution trading system including, but not limited to, failure of hardware, software and internet connection. One result of such a failure may be that your order is either not executed according to your instructions or is not executed at all.

We will have no liability or duty of indemnification for any claims, losses, damages, costs or expenses, caused, directly or indirectly, by any malfunction or failure of any transmission, communication system, computer facility or trading software, whether belonging to the Company, the customer, any exchange or any settlement or clearing system, and/or for any third party violations and/or from any actions or events outside our control. Furthermore, we are not responsible for the breach of internet security with respect of your account.

17. Market Recommendations are informational, you make independent decisions, and we are not an advisor or fiduciary to you

The Company shall not be responsible for any loss arising from any investment based on any recommendation, forecast or other information provided on this website. The Company does not warrant that the information is accurate, reliable or complete or that the supply will be without interruptions. The Company shall not be liable for any delay, inaccuracy, error or omission of any kind in the information provided by the Company and/or the exchange and/or any third party information provider or for any resulting loss or damage you may suffer as

a result of or in connection with the information supplied by the Company and/or the exchange and/or any third party information provider. In addition, the Company shall have no liability for any losses arising from unauthorized access to information or any other misuse of information.

Any opinions, news, research, analysis, prices, or other information contained on our website are provided as general market commentary, and do not constitute investment advice. The Company will not accept liability for any loss or damage, including, without limitation, for any loss of profit which may arise directly or indirectly from use of or reliance on such information. Each decision as to whether a transaction is appropriate or proper, is an independent decision by you. You agree that the Company has no fiduciary duty to you and is not responsible for any liabilities, claims, damages, costs and expenses, including attorneys' fees, incurred in connection with you following the Company's generic trading recommendations or taking or not taking any action based upon any information provided by the Company. The Company makes no representations as to whether a particular investment is appropriate or suitable for you.

18. No guarantees of profit

There are no guarantees of profit nor of avoiding losses when trading in securities and other property. You have received no such guarantees from the Company or from any of our representatives. You are aware of the risks inherent in trading in securities and other property and financially able to bear such risks and withstand any losses incurred.

The contents of any report provided should not be construed as an express or implied promise, as a guarantee or implication that you will profit from the strategies herein or as a guarantee that losses in connection therewith can, or will be limited.

19. Commission, Conversion and other Charges

Before you begin to trade, you should ensure that you understand all commissions, fees and other charges for which you will be liable. If any charges are not expressed in money terms (but, for example, as a percentage of contract value), you should obtain a clear written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.

You should be aware that profit and loss in foreign currency denominated contracts/transactions (whether they are traded in your own or another jurisdiction) will be affected by the fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency. These charges will affect your net profit (if any) or increase your loss.

20. Quoting Errors

Should a quoting error occur due to a mistype of a quote or a miss-quote given by telephone or electronic means (including responses to your requests), we are not liable for any resulting errors in account balances and reserve the right to make necessary corrections or adjustments to the relevant account. Any dispute arising from such quoting errors will be resolved on the basis of the fair market value, as determined by the Company in our sole discretion and acting in good faith, of the relevant market at the time such an error occurred. In cases where the prevailing market represents prices different from the prices we have posted on our screen, we will attempt, on a best efforts basis, to execute transactions on or close to the prevailing market prices. These prevailing market prices will be the prices which are ultimately reflected on customer statements. This may or may not adversely affect your realized and unrealized gains and losses.

21. Password Protection

You are obligated to keep passwords secret and ensure that third parties do not obtain access to your online account. You will be liable for trades executed by means of your password even if such use may be wrongful.

22. Suspensions of trading

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. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

Strategies using combinations of positions, such as 'spread' and 'straddle' positions may be as risky as taking simple 'long' or 'short' positions.

23. Clearing House protections

On many exchanges, the performance of a transaction by your broker (or the third party with whom he is dealing on your behalf) is "guaranteed" by the exchange or its clearing house. However, this guarantee is unlikely in most circumstances to cover you, and may not protect you if another party defaults on its obligations to you. There is no clearing house for traditional options, or for many off-exchange instruments, which are not traded under the rules of a recognized or designated investment exchange.

24. Customer may not be able to close open positions

Due to market conditions or other circumstances we may be unable to close out your position at a level specified by you, and you agree that we will bear no liability for failure to do so.

25. Modifications to the Risk Disclosure Statement

We reserve the right to change this risk disclosure statement at any time by posting revisions on this website. Such changes will be effective upon posting. We advise you to check our website frequently to review any changes to this risk disclosure statement.

26. Acknowledgement

You confirm that you have fully read and understood the risk disclosure statement and you unreservedly acknowledge and accept the risks set out herein, and accept and declare that you are willing to undertake these risks.