



GFT Global Markets UK Ltd. | Subsidiary of Global Futures & Forex, Ltd.

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Risk Warning Notice—CFD and Spot Forex Trading

This notice ("Risk Warning Notice") is provided to you, as a private customer, in compliance with the rules of the Financial Services Authority ("FSA"). Private customers are afforded greater protections under these rules than other customers are and you should ensure that your firm tells you what this will mean to you.

This Risk Warning Notice cannot disclose all the risks and other significant aspects of cfd and spot forex trading. Cfd and spot forex trading is very different to fixed odds betting. You should not engage in cfd and spot forex trading unless you understand the nature of cfd and spot forex trading, how it works, how you make a profit or a loss and the extent of your exposure to risk and loss. Note in particular that your losses can be unlimited and no deposit or other amount you have paid (such as Initial Margin (we also call this Margin) or Variation Margin) will limit your losses. You should also be satisfied that cfd and spot forex trading is suitable for you in the light of your circumstances and financial position. Certain strategies, such as a 'straddle', may be as risky as a simple 'long' or 'short' position. If in any doubt seek professional advice.

Although cfd and spot forex trading can be utilised for the management of investment risk, cfd and spot forex trading is unsuitable for many investors.

In deciding whether to engage in cfd and spot forex trading you should be aware of the following points:

General

When you engage in cfd and spot forex trading you are placing a trade in relation to price movements. You do not, for example, acquire the underlying asset nor any rights or delivery obligations in relation to it. The amount of any profit or loss will vary depending on the prices fixed by your firm and the movement of the relevant underlying asset, index or other market to which your trade relates.

Cfd and spot forex trades can only be settled in cash.

Cfd and spot forex trading carries a high degree of risk. The "gearing" or "leverage" available in cfd and spot forex trading (ie the funds we require at the outset compared to the size of trade you can place) means that a small deposit (we call this Initial Margin or Margin) can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the size of any loss or profit, and this can work against you as well as for you. Your losses may be unlimited. If you decide to engage in cfd and spot forex trading, you must accept this degree of risk.

No credit is extended to you. Neither a variation margin credit allocation nor an initial margin credit allocation constitute a credit facility and neither of them will limit your losses or liability. The amount you are prepared to risk should include any variation margin credit allocation and any initial margin credit allocation.

Cfd and spot forex trades are legally enforceable. This means, for example, that we can take legal action to recover money you owe us.

Foreign Markets

Foreign markets will involve different risks from UK markets. In some cases the risks will be greater. On request, your firm must provide an explanation of the relevant risks and protections (if any) which will operate in any foreign markets. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

Contingent liability – margin

Cfd and spot forex trades are contingent liability investments and are subject to payment of Variation Margin. Consequently, you may be required to make further payments (in addition to any charges we may render) in order to keep your position open and/or on the closing of your position.

If you engage in cfd and spot forex trading, you may sustain the total loss of the margin (whether Initial Margin (we also call this Margin) or Variation Margin) and any other amounts you have deposited with your firm to establish or maintain a position. If the market moves against you, you may be

called upon to pay substantial additional Variation Margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated (closed) at a loss and you will be responsible for the resulting deficit.

Although cfd and spot forex trades are contingent liability investments, they are not traded on or under the rules of a recognised or designated investment exchange. Consequently, engaging in cfd and spot forex trading may expose you to substantially greater risks than contingent liability investments which are so traded. The rules governing cfd and spot forex trades and the prices that apply will be established by the firm with whom you trade; for example you will have to close trades at the price established by your firm and those prices may reflect a premium or discount to the underlying market or (when the underlying market is closed) may take into account the effect of other clients opening or closing positions with the firm with whom you deal.

Limited liability transactions

Before entering into a limited liability transaction, you should obtain from your firm or the firm with whom you are dealing a formal written statement confirming that the extent of your loss liability on each transaction will be limited to an amount agreed by you before you enter into the transaction. You should also make sure you understand any costs associated with limited liability transactions (e.g. additional spread) and whether the limited liability is only guaranteed during certain hours.

The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial. See also, "orders" below.

Collateral

If you deposit collateral as security with your firm you should ascertain from your firm how your collateral will be dealt with. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited, and may have to accept payment in cash.

Charges and Commissions

Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable (for example in connection with orders). If any charges are not expressed in money terms (but, for example, as a percentage of contract value), you should obtain a clear and written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms. In the case of cfd and spot forex trading, when amounts are charged as a percentage (for example, Initial Margin (we also call this Margin)) it will normally be as a percentage of the total contract value (eg trade size multiplied by current price). Note also that charges may take the form of an additional spread.

Suspension 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.

Orders

Placing an 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 (as a consequence you should consider placing a guaranteed stop loss order). If you place a guaranteed stop loss order, your losses will be limited in accordance with that order, but you may sustain the loss in a relatively short period of time. In the case of all orders, make sure you understand how they operate. Particularly outside the trading hours of your firm. Your firm will specify how orders operate.

Insolvency

Your firm's insolvency or default may lead to positions being liquidated or closed out without your consent. In certain circumstances (if you have lodged assets as collateral) you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash.

Client Agreement

In the case of private customers, your firm must enter into a client agreement with you and deal with you on the basis of that client agreement. If you believe that your firm is not complying with that agreement, you should report that to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR.

Client Money

The FSA's client money rules will apply, but these may not afford you complete protection in relation to any money you may have paid to the firm with whom you deal.

Advice

The firm is prohibited by the FSA from giving you investment advice or giving recommendations in relation to your dealings. However, the firm is permitted to give you factual market information or information, in relation to a transaction about which you have enquired, as to transaction procedures, potential risks involved and how those risks may be minimised.

Compensation

We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme.

Acceptance

You should only engage in cfd and spot forex trading if you are prepared to accept a high degree of risk and in particular the risks outlined in this Risk Warning Notice. You must be prepared to sustain the total loss of all amounts you may have deposited with your firm (such as Initial Margin (we also call this Margin) or Variation Margin) as well as any losses, charges (such as interest) and any other amounts (such as costs) we incur in recovering payment from you.

If there is anything you do not understand, please contact our Customer Services Team on +44 (0)20 7170 0770. If you do accept the risks please sign below and return this Risk Warning Notice to our Customer Services Team at GFT Global Markets UK Ltd., 34th Floor (CGC 34-03), 25 Canada Square, London, E14 5LQ.

GFT Global Markets UK Limited.

I/we have read, understood and accept the Risk Warning Notice set out above.

Dated: _____

Signed: _____

Signed (in the case of a joint account holder): _____

GFT Global Markets UK Limited is authorised and regulated by the Financial Services Authority.