

**IFC MARKETS
LTD**

RISK WARNING

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1. INTRODUCTION

1.1. "IFC MARKETS LTD.", a LABUAN (the "FSA") incorporated Company No. LL16237 , License number: MB/20/0049 having its registered office The Villa, Lot U0965, Jalan Jumidar Buyong, 87000 FT Labuan, Malaysia (Henceforth "us", "our", "we", the "Company" or "IFCMARKETS LTD."), in relation to your investment activities with us.

1.2. Under the Act and the Regulations, IFC MARKETS LTD is required to provide its clients and potential clients with an adequate disclosure of the risks involved in trading the financial instruments it is offering.

1.3. This Risk Warning is provided to you in accordance with the provisions of the Act and the Regulations. This risk warning is not purporting to disclose, or discuss all of the risks and other significant aspects of all transactions entered into with or through IFCMARKETS, so IFCMARKETS requires you to undertake and warrant that you will consult with your own legal, tax and financial advisers prior to entering into any particular transaction with or through IFCMARKETS.

1.4. These risk disclosures should be read together with our "Customer Agreement", "Terms of Business", "Conflict of Interest Management Policy", "Privacy Policy" and "Prevention of Money Laundering and Terrorist Financing Policy".

2. THE TRADING INSTRUMENTS OFFERED BY IFC MARKETS LTD

A. The trading instruments offered by IFC MARKETS LTD are over-the-counter ("OTC") contracts

2.1. The trading instruments offered by IFC MARKETS LTD are over-the-counter ("OTC") contracts. They are not traded on or guaranteed by, a licensed exchange. Rather, they are traded "over-the-counter", and the counterparties to any transactions in these trading instruments are you and IFC MARKETS LTD

2.2. Each transaction in these trading instruments, which is agreed and entered into by IFC MARKETS LTD with you, will be entered into by IFC MARKETS LTD as principal.

B. The trading instruments offered by IFCMARKETS are structured as spot Forex contracts and "Contracts for Difference" ("CFDs")

2.3. The trading instruments described herein and offered by IFCMARKETS are the following:

- a. Spot Forex trading instruments (such as currency pairs);
- b. CFDs on precious metals;
- c. CFDs on stocks;
- d. CFDs on futures on commodities;
- e. Continuous CFDs on indices and commodities;
- f. Other trading instruments offered on a CFD basis.

3. RISKS OF TRADING SPOT FOREX AND CFDS

C. Risks of Transactions in CFDs

3.1. Trading spot Forex instruments and CFDs may not be suitable for all investors. You may lose a substantial amount of money in a very short period of time. The amount you may lose is potentially unlimited and can exceed the amount you originally deposit with your IFCMARKETS account. This is because most of spot Forex instruments and CFDs may be highly leveraged, with a relatively small amount of money used to establish a position in assets having a much

greater value. If you are uncomfortable with this level of risk, you should not trade spot Forex instruments and CFDs with high leverage.

3.2. You should be aware that the regulatory protections applicable to your account are not intended to insure you against losses you may incur as a result of a decline or increase in the price of a CFD. As with all financial products, you are solely responsible for any market losses in your account.

D. General Risks

3.3. As with any high risk financial product, you should not risk any funds that you cannot afford to lose, such as your retirement savings, medical and other emergency funds, funds set aside for purposes such as education or home ownership, proceeds from student loans or mortgages, or funds required to meet your living expenses.

3.4. Be cautious of claims that you can make large profits from trading spot Forex instruments and CFDs. Although the high degree of leverage in spot Forex instruments and CFDs can result in large and immediate gains, it can also result in large and immediate losses. As with any financial product, there is no such thing as a "sure winner."

3.5. Because of the leverage involved and the nature of spot Forex and CFD transactions, you may feel the effects of your losses immediately. Gains and losses in spot Forex instruments and CFDs are credited or debited to your account's equity in real-time mode. If movements in the markets of the underlying asset decrease the value of your positions in spot Forex instruments and CFDs, you may be required to submit additional funds to IFCMARKETS as margin. If your account is under the minimum margin requirements set by IFCMARKETS, your position may be liquidated at a loss, and you will be liable for the deficit, if any, in your account.

3.6. Under certain market conditions, it may be difficult or impossible to liquidate a position. If you cannot liquidate your position in a spot Forex instrument or CFD, you may not be able to realize a gain in the value of your position or prevent losses from mounting. This inability to liquidate could occur, for example, if trading is halted due to unusual trading activity in either the spot Forex instrument or CFD or the underlying asset; if trading is halted due to recent news events involving the issuer of the underlying asset; if systems failures occur on an exchange or at IFCMARKETS carrying your position; or if the position is on an illiquid market. Even if you can liquidate your position, you may be forced to do so at a price that involves a large loss.

3.7. Under certain market conditions, it may also be difficult or impossible to manage your risk from open spot Forex instrument or CFD positions by entering into an equivalent but opposite position in another contract month, on another market, or in the underlying asset. This inability to take positions to limit your risk could occur, for example, if trading is halted across markets due to unusual trading activity in the spot Forex instrument or CFD or the underlying asset or due to recent news events involving the issuer of the underlying asset.

3.8. Under certain market conditions, the prices of spot Forex instruments or CFDs may not maintain their customary or anticipated relationships to the prices of the underlying asset. These pricing disparities could occur, for example, when the market for the particular spot Forex instrument or CFD is illiquid, when the primary market for the underlying asset is closed, or when the reporting of transactions in the underlying asset has been delayed. For index products, it could also occur when trading is delayed or halted in some or all of the securities that make up the index.

3.9. You may experience losses due to systems failures. As with any financial transaction, you may experience losses if your orders for spot Forex instruments or CFDs cannot be executed normally due to systems failures on a regulated exchange or at IFCMARKETS carrying your position.

3.10. All spot Forex instruments and CFDs involve risk, and there is no trading strategy that

can eliminate it. Strategies using combinations of positions, such as spreads, may be as risky as outright long or short positions. Trading in spot Forex instruments and CFDs requires knowledge of all relevant markets.

3.11. Day trading strategies involving spot Forex instruments and CFDs and other products pose special risks. As with any financial product, persons who seek to purchase and sell the spot Forex instrument or CFD in the course of a day to profit from intra-day price movements ("day traders") face a number of special risks, including substantial commissions, exposure to leverage, and competition with professional traders. You should thoroughly understand these risks and have appropriate experience before engaging in day trading.

3.12. Placing contingent orders such as "stop-loss" orders, will not necessarily limit your losses to the intended amount. IFCMARKETS may permit you to enter into stop-loss orders for CFDs, which are intended to limit your exposure to losses due to market fluctuations. However, market conditions may make it impossible to execute the order or to get the stop price.

3.13. You should thoroughly read and understand our "Customer Agreement" and "Terms of Business" published on our Website(s) before entering into any transactions in CFDs.

4. MARGIN AND LEVERAGE

E. General Notes

4.1. When IFCMARKETS lends a customer part of the funds needed to purchase or sell a spot Forex instrument or CFD, the term "margin" refers to the amount of funds customer is required to have in his or her account in order to be able to enter into a spot Forex or CFD transaction. IFCMARKETS requires margin to be on deposit in the account before IFCMARKETS will accept an order on any spot Forex instrument or CFD.

4.2. Because the margin deposit required opening a spot Forex instrument or CFD position is a fraction of the nominal value of the underlying assets being purchased or sold, spot Forex instruments and CFDs are said to be highly leveraged. The smaller the margin requirement in relation to the value of the underlying asset, the greater the leverage. Leverage allows exposure to a given quantity of an underlying asset for a fraction of the investment needed to purchase that quantity outright. In sum, buying (or selling) a spot Forex instrument or CFD provides the same dollar and cents profit and loss outcomes as owning (or shorting) the underlying asset. However, as a percentage of the margin deposit, the potential immediate exposure to profit or loss is much higher with a spot Forex instrument or CFD than with the underlying asset.

F. Risk of Margin Trading

4.3. You have to understand that trading on margin involves a high degree of risk and may result in a loss of funds greater than the amount you have deposited in your account.

G. Requirement to Maintain Sufficient Margin

4.4. Your margin transactions are subject to the initial margin and maintenance margin requirements (the "Margin Requirements") established by IFCMARKETS. IFCMARKETS's Margin Requirements are posted on the IFCMARKETS website. The general formulae for calculating Margin Requirements provided on the IFCMARKETS website are only indicative and may not accurately reflect the actual Margin Requirements in effect at a particular time for your portfolio.

4.5. The margin required by IFCMARKETS may exceed the margin required by any exchange or clearing house. IFCMARKETS may modify such Margin Requirements for any of your open and new positions, at any time, in IFCMARKETS's sole discretion. IFCMARKETS may reject any of your orders if you do not have a sufficient account balance to meet Margin Requirements and may delay the processing of any order while determining the correct margin status of your

account. You have to maintain, without notice or demand from IFCMARKETS, a sufficient account balance at all times so as to continuously meet the Margin Requirements. As set forth herein, you have to submit all payments to satisfy Margin Requirements directly to IFCMARKETS in accordance with the instructions then set forth on the IFCMARKETS website and then in effect. You must at all times satisfy whatever margin requirement is calculated by IFCMARKETS.

H. IFCMARKETS will not issue Margin Calls

4.6. IFCMARKETS has no obligation to notify you of any failure to meet Margin Requirements in your account prior to IFCMARKETS exercising its rights and remedies under IFCMARKETS "Customer Agreement". You have to understand that IFCMARKETS generally will not issue Margin Calls that IFCMARKETS generally will not credit your account to meet intraday margin deficiencies, and that IFCMARKETS is authorized to liquidate positions in your account in order to satisfy Margin Requirements without prior notice to you.

I. Liquidation of positions (Short Margin or Stop Out)

4.7. In the event that your account balance has zero equity or is in deficit at any time, or the account does not have a sufficient account balance to meet the Margin Requirements, or "Customer Agreement" between you and IFCMARKETS has been terminated, IFCMARKETS shall have the right, in its sole discretion, but not the obligation, to liquidate all or any part of your positions in any of your IFCMARKETS accounts, whether carried individually or jointly with others at any time and in such manner and in any market as IFCMARKETS deems necessary, without prior notice or Margin Call to you. You have to agree to be responsible for, and promptly pay to IFCMARKETS, any deficiencies in your account that arise from such liquidation or remain after such liquidation. IFCMARKETS will not have any liability to you in connection with such liquidations (or if the IFCMARKETS Trading Platform(s) experience(s) a delay in effecting, or does not effect, such liquidations), even if you subsequently re-establish your position at a less favorable price.

4.8. You have to waive expressly any rights to receive prior notice or demand from IFCMARKETS and agree that any prior demand, notice, announcement or advertisement shall not be deemed a waiver of IFCMARKETS's right to liquidate any of your positions. You have to understand that, in the event positions are liquidated by IFCMARKETS, you will have no right or opportunity to determine the order or manner of liquidation.

4.9. IFCMARKETS may, in its sole discretion, effect a liquidation on any exchange or market. In the event that IFCMARKETS liquidates any or all positions in your account, such liquidation shall establish the amount of your gain or loss and indebtedness to IFCMARKETS, if any. You will have to reimburse and hold IFCMARKETS harmless for all omissions, expenses, fees, penalties, losses and liabilities associated with any such transaction undertaken by IFCMARKETS.

4.10. You have to acknowledge and agree that IFCMARKETS deducts overnight adjustments, commissions and various other fees from your accounts and that such deduction may affect the amount of equity in your account to be applied against the Margin Requirements. Your positions are subject to liquidation as described herein if deduction of commissions, fees or other charges causes your account to have an insufficient balance to satisfy the Margin Requirements.

4.11. IFCMARKETS, in its sole discretion, may liquidate your positions at any time:

- a. if any dispute arises concerning any of your trades;
- b. upon your failure to timely discharge your obligations to IFCMARKETS;
- c. upon your insolvency or filing of a petition in bankruptcy or for protection from creditors;
- d. upon the appointment of a receiver; or

e. Whenever IFCMARKETS deems liquidation necessary or advisable for IFCMARKETS' protection or to prevent what IFCMARKETS, in its discretion, considers to be a violation of any applicable regulations or good standards of market practice.

J. Account Deficits

4.12. For any deficit in any of your accounts that remains unpaid, you have to agree to pay and to be liable for the reasonable costs and expenses of collection of the debit balance, including, but not limited to, attorneys' fees and/or collection agent fees.

5. FUTURES SETTLEMENT

5.1. On the expiration date, the underlying futures contract ceases to exist. The expiration of any futures contracts is established by the exchange on which the contract is listed, however the exact expiration time for a particular CFD may be established by IFCMARKETS independently from the expiration time of the underlying asset.

5.2. If you do not liquidate your position prior to the expiration of the CFD, you are obligated to make or accept a cash settlement, which commonly means the liquidation of the expired CFD at the last dealing price quoted by IFCMARKETS.

6. SPECIAL RISKS FOR DAY TRADERS

6.1. Certain traders who pursue a day trading strategy may seek to use spot Forex instruments and CFDs as part of their trading activity. Whether day trading in spot Forex instruments or CFDs, investors engaging in a day trading strategy face a number of risks.

6.2. You should consider the following points before engaging in a day-trading strategy. For purposes of this notice, a "day-trading strategy" means an overall trading strategy characterized by the regular transmission by a customer of intra-day orders to affect both purchase and sale transactions in the same spot Forex instrument and CFD.

6.3. Day trading can be extremely risky. Day trading generally is not appropriate for someone of limited resources and limited investment or trading experience and low risk tolerance. You should be prepared to lose all of the funds that you use for day trading. In particular, you should not fund day- trading activities with retirement savings, student loans, second mortgages, emergency funds, funds set aside for purposes such as education or home ownership, or funds required to meet your living expenses.

6.4. Be cautious of claims of large profits from day trading. You should be wary of advertisements or other statements that emphasize the potential for large profits in day trading. Day trading can also lead to large and immediate financial losses.

6.5. Day trading requires in-depth knowledge of the traded markets and trading techniques and strategies. In attempting to profit through day trading, you must compete with professional, licensed traders employed by securities firms. You should have appropriate experience before engaging in day trading.

6.6. Day trading requires knowledge of IFCMARKETS' operations. You should be familiar with IFCMARKETS's business practices, including the operation of the firm's order execution systems and procedures. Under certain market conditions, you may find it difficult or impossible to liquidate a position quickly at a reasonable price. This can occur, for example, when the market suddenly drops, or if trading is halted due to recent news events or unusual trading activity. The more volatile a market is, the greater the likelihood that problems may be encountered in executing a transaction. In addition to normal market risks, you may experience losses due to systems failures.

6.7. Day trading will generate substantial commissions, even if the per trade cost is low. Day trading involves aggressive trading, and generally you will pay commission on each trade on certain

markets, as specified by IFCMARKETS.

6.8. Day trading on margin or short selling may result in losses beyond your initial investment. When you day trade with funds borrowed from a firm or someone else, you can lose more than the funds you originally placed at risk. A decline in the value of the contracts that are purchased may require you to provide additional funds to IFCMARKETS to avoid the forced sale of those contracts in your account. In application to such markets as stocks CFDs, short selling as part of your day-trading strategy also may lead to extraordinary losses, because you may have to purchase a CFD at a very high price in order to cover a short position.

7. OTHER

K. Corporate Events

7.1. As noted above, the purchaser of a CFD does not receive the corporate disclosures that are received by shareholders of the underlying security. Treatment of dividends and other corporate events affecting the underlying security may not be reflected in the CFD depending on IFCMARKETS' rules and policies.

7.2. Consequently, individuals should consider how dividends and other developments affecting CFDs in which they transact will be handled by the relevant exchange. The specific adjustments to the terms of an underlying asset are governed by the rules of the applicable exchange.

L. Splits, Special Dividends, Mergers and Acquisitions

7.3. Corporate issuers occasionally announce stock splits. As a result of these splits, owners of the issuer's common stock may own more shares of the stock, or fewer shares in the case of a reverse stock split. The treatment of stock splits for persons owning a CFD may vary according to the terms of CFD trading with IFCMARKETS.

7.4. Corporate issuers also occasionally issue special dividends. A special dividend is an announced cash dividend payment outside the normal and customary practice of a corporation.

7.5. The terms of a CFD may be adjusted for special dividends in IFCMARKETS's sole discretion.

7.6. With regard to stocks futures or indices, there may be no adjustments for ordinary dividends as they are recognized as a normal and customary practice of an issuer and are already accounted for in the pricing of security futures and indices.

7.7. Corporate issuers occasionally may be involved in mergers and acquisitions. Such events may cause the underlying stock of CFD to change over the contract duration. The terms of CFDs may also be adjusted to reflect other corporate events affecting the underlying assets.

M. Tax Consequences

7.8. Because of the importance of tax considerations to transactions in CFDs, readers should consult their tax advisors as to the tax consequences of these transactions.