

Monecor (London) Limited, trading as ETX Capital (**ETX Capital, we or us**), is Authorised and regulated by the Financial Conduct Authority (FCA) under reference number 124721. The financial products and services offered by us carry a high level of risk which may make them unsuitable for some investors. You should therefore make sure that you understand the risks involved completely before using our products and services.

We do not provide investment advice. If you are unsure if this form of investing suits you, you should seek advice from an authorised financial adviser. We are not currently authorised to give investment advice of any kind and therefore will not provide advice to you. However, from time to time, we may give you factual information in relation to an underlying market or a transaction which you have enquired about.

Only speculate with money you can afford to lose.

This Risk Warning does not form part of your trading agreement with us. This Risk Warning is meant to help you understand the risks involved with the products and services offered by us; however, this Risk Warning cannot explain all risks involved. It can only serve as a general guide to the risks involved with trading our products and using our services, and you must determine for yourself if the risks involved are appropriate for your investment strategy and risk appetite.

Trading in derivative financial products involves high risks. When deciding whether to trade in such instruments **you should be aware of the following:**

1 TRADING OFF-EXCHANGE

When you trade with us, you will be entering into an off-exchange (also known as an over-the-counter, or OTC) derivative which is non-transferable. This means you will enter into trades directly with us and those trades must be closed with us. You will not be able to sell or transfer your trades to third parties. This can involve greater risk than investing in a financial instrument which is transferable, or dealing in an exchange-traded derivative, because your ability to open and close trades with us is dependent on our being in a position to accept orders from you and to execute them.

2 MARGIN

You can rapidly lose substantially more on a trade than you have deposited with us to open that trade (the Margin). Any market losses exceeding the Margin will be taken from your account. You may be called upon to deposit additional Margin at short notice to maintain your trade. We will revalue your open trades continuously during each trading day, and any profit or loss will be immediately reflected in your account. A loss may require you immediately to deposit additional funds in your account in order to maintain your open trades. We may also change our Margin rates and/or notional trading requirements at any time, which may also result in a change to the Margin you are required to maintain for a trade. If you do not provide such additional funds (which may be a substantial amount) within the time required (which may be very short, i.e. minutes), your trade may be closed out at a loss and you will be liable for any deficit.

3 LOSS LIMITS ARE NOT GUARANTEED

Making a stop loss order may limit your loss but this is not guaranteed. Your loss may be greater in some circumstances. Slippage (also called 'gapping') occurs when the market moves past the price at which you have set your stop loss order. This may occur because the particular underlying market has become unusually volatile. For example, the underlying market may have stopped trading at a point above your stop loss order price and after a period of time, may recommence trading at a price below your stop loss order price. In such a circumstance we would close your open trade at or as quickly after the reopening of trading in that underlying market, i.e. at the next price available. Additionally,

markets may also be extremely busy when the underlying market becomes volatile and, in accordance with our Order Execution Policy, we will execute orders on a first-in-first-traded basis. This may result in your stop loss order being executed at a price below your stop loss order price in a rapidly falling underlying market.

4 PAST PERFORMANCE

You should not assume that past performance bears any relation to potential future performance. There can be no certainty concerning the future performance of any underlying market or trades that you make. No representation can be made as to future performance.

5 TRADING SUSPENSION

At times, market conditions and the operation of the rules of certain markets (i.e. suspension of trades due to volatility, lack of liquidity in the underlying, and other reasons) may make trading more risky. This may lead, in extreme cases, to a change of the settlement of a contract. We reserve the right to change settlement for contracts expiring on a given day if, on that day, trading is suspended.

6 LEVERAGE AND GEARING

Leverage or gearing enables you to enter into trades with a comparatively small deposit (also called margin) in terms of the overall contract value. However, this means a relatively small movement in the underlying market can have a disproportionately dramatic effect on your trade.

Even a small movement in the underlying market may result in the loss of your entire margin amount and leave you liable for any other losses sustained on the position. Therefore, it is imperative that you only speculate with money that you can afford to lose.

7 NON-UK MARKETS AND FOREIGN EXCHANGE

Markets outside of the United Kingdom will involve different risks. In some cases, those risks may be greater. The potential for profit or loss from transactions on those markets or in contracts denominated in a currency different from your base currency will be affected by fluctuations in foreign exchange rates. Where you maintain trades or have funds on deposit in your account with us in a currency other than your national/domestic currency, you are exposing yourself to cross-currency risk. It is your responsibility to manage this risk and we shall not be liable for any losses that you suffer as a result.

8 CONTINGENT LIABILITY TRANSACTIONS

Where a trade is margined, we require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

Even if a trade 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 into the contract. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose you to substantially greater risks.

9 SPREADS, COMMISSIONS AND COSTS

Before you begin to trade with us, you should obtain details of all commissions and other charges for which you will be liable. If any charges are not expressed in money terms (for example, as a bid offer spread), you should obtain a clear explanation of what such charges are likely to mean in specific money terms. In the case of futures, when commission is

charged as a percentage, it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment.

Depending on the type of trade you make and how long it lasts we may require you to pay financing costs. Also, if you trade in currencies different than your base currency we may require you to convert those foreign currencies to your base currency. The aggregate of financing costs and foreign exchange costs may exceed any profits on your trade or increase the losses you may suffer on a trade.

10 TAX RISK

You take the risk that your trades and any related profits may be or become subject to tax. We do not represent or warrant that no tax or stamp duty (other than trading duty) will be payable. You will be responsible for all taxes and stamp duty in respect of your trades. ETX Capital does not provide any tax advice to clients, and you are responsible for your own tax affairs.

11 YOUR MONEY

If you have been categorised as a retail client or we have otherwise agreed to treat you as a professional client, we will hold your money in trust in a segregated client money bank account separate from our money; however, this may not provide complete protection (for example, in the insolvency of our bank). Your attention is also drawn to 'Your Money' section of our Terms and Conditions.

12 April 2016