

Capital Index (Global) Limited

Risk Warning Notice

It is the policy of Capital Index (Global) Limited ("CIG") to provide all our clients with the following risk warning notice in relation to dealing in margined products such as contracts for difference (CFDs). This document explains many of the risks associated with margined products, but it cannot explain all the risks.

As margined products carry a high level of risk, you should not deal in these products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position and that you only speculate with funds you can afford to lose.

Although margined products can be utilised for the management of investment risk, it may not be suitable for some investors. In deciding whether to trade in margined products, you should be aware of the following points:

Most margined products can only be settled in cash. Investing in CFDs carries the same risks as investing in a future or an option or other margined products. Transactions in margined products may also have a contingent liability and you should be aware of the implications of this as set out below.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **86.67% of retail investor accounts lose money when trading CFDs with this provider.** You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

Past performance should not be considered as a guarantee of future performance as the future performance of underlying markets or funds is uncertain.

Margined products require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If you trade in margined products, you may rapidly sustain a total loss of the margin you deposit to establish or maintain a position. If the market continues to move against you, you may be called upon to pay substantial additional margin at short notice (which in some cases could be a matter of minutes) to maintain the position. If you fail to do so within the required time, your position may be liquidated at a loss and you will be responsible for the resulting deficit. In certain circumstances, your Margin rates and/or notional trading requirements could be increased without notice, resulting in additional Margin deposit that you will be required to have on your account to maintain that trade.

Trades in margined products are off-exchange (also known as an over-the-counter, or OTC) transactions which is non-transferable. This means you will enter into trades directly with us and those trades can only get closed with us. You will not be able to transfer or sell your open positions to other brokers or CFD providers. Before you begin trading, 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 (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. For example, in the case of CFDs, 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.

We do not offer guaranteed stop loss orders. Although orders are generally filled at the level of your order, if there is any gapping or slippage you may receive a fill worse than your stop level. Gapping or slippage can occur when the underlying market is unusually volatile, and the market price moves rapidly past your stop loss price. In those circumstances you will receive the next available price. For example, if you had a long position in the FTSE Index at say 6680 with a good until cancelled stop loss order in place at 6660, and over the weekend there was an extremely negative announcement that caused the market price to open at 6655, you would receive a fill at (your sale price of) 6655 and not 6660.

As we do not provide our clients with tax advice, you are responsible for your own tax affairs.

Our trading platform enables you to trade CFDs and communicate with us via electronic means. Whereas electronic communication is normally a reliable means of communication, no electronic communication is guaranteed to be reliable at all times. Electronic communications can occasionally fail, and there can occasionally be delays. If there is a failure on our platform, you should telephone our trading desk. Please note however that the lines might be busy at these times.