

Investing in a CFD carries a high degree of risk because the 'gearing' or 'leverage' often obtainable means that a relatively small movement in the market 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. You may need to provide further funds with little or no notice. It is possible to lose more money than you have deposited into the account. This notice provides you with information about the risks associated with investment products, which you may invest in through services provided to you by IG Limited. IG Limited offers Contracts for Differences ('CFDs'), the purpose of this type of transaction is to secure a profit or avoid a loss by reference to fluctuations in the value or price of an underlying instrument.

CFDs are high risk financial products, which are not appropriate for many members of the public, it is important that you fully understand that it is your responsibility to remain aware of the risks involved; that you have adequate financial resources to deal with them and that you monitor your positions closely.

This notice, prepared by IG Limited, provides you with information about the risks, but cannot explain them all nor how they relate to your personal circumstances. If you are in any doubt you should seek professional or legal advice before signing this document. If you are not sure that you understand a particular product, instrument, service or transaction, you should also first seek appropriate professional advice before entering into the product, instrument, service or transaction.

## GEARING AND LEVERAGE

Before you open a trade with us, you will generally be required to deposit money with us – this is called the margin requirement. This margin requirement will usually be a relatively modest proportion of the overall contract value, 10% of the Contract for example. This means that you will be using 'leverage' or 'gearing' and this can work for or against you; a small price movement in your favour can result in a high return on the margin requirement placed for the Contract, but a small movement against you may result in substantial losses. We offer a range of risk management tools to help you to manage this risk.

Because of the effect of leverage and therefore the speed at which profits or losses can be incurred it is important that you monitor your positions closely. If you believe there is a period of time in which you will not be able to do this, you should consider how to manage that risk.

At all times which you have open positions, you must ensure that your account balance, taking account of running profits and losses, is equal to at least the total margin requirement that we require you to have deposited with us. Therefore, if our price moves against you, you may need to provide us with significant additional funds immediately to meet your margin requirement and maintain your open positions. This is referred to as a 'Margin Call'. The Customer Agreement also allows us, without notice, to close one or more or all your positions. You will be responsible for any losses incurred. In these instances IG Limited may seek to recover these losses in an appropriate forum, such as a court of law.

You should also be aware that under the applicable Customer Agreement we are entitled to increase margin rates at short notice. If we do so, you may be required to deposit additional funds into your account to cover the increased margin rates. If you do not do this, we will be entitled to close one or more or all of your positions.

## OVER-THE-COUNTER (OTC) NATURE OF CONTRACTS

Our CFDs are not listed on any exchange. The prices and other conditions are set by us in accordance with our obligation to provide best execution as set out in our Order Execution Policy, to act reasonably and in accordance with the applicable Customer Agreement. Each CFD you open with us (including those routed to an exchange and described as DMA) results in a Contract with us and can be closed only with us, subject to our Customer Agreement. No Contracts provide any right to the underlying instruments or voting rights.

## RANGE OF MARKETS

We provide services across a wide range of underlying markets. Although the prices at which you open Contracts are derived from the underlying market, the characteristics of our Contracts can vary substantially from the actual underlying market or instrument and you should fully understand these before you trade. Full details of all of our Contracts are set out in the Product Details section on our website, including; contract size, margin rates, last dealing time, settlement procedures, rollover procedures, commissions and currency. Relevant characteristics include, but are not limited to:

- **Volatility:** the extent of and likelihood of significant market movements; the impact of those on your profits and losses, on where any Stops should be placed and on whether you will be able to maintain at least the minimum Margin amount in your account with us;
- **Gapping:** whether the market could be subject to 'gapping', that is, a sudden shift from one price level and the consequences of that. For example, shares are not generally traded on a 24-hour basis, but only during exchange hours and our prices generally follow that pattern. Economic events or market announcements made outside those hours are reflected in prices only when the relevant exchange opens; perhaps some hours later. The opening price therefore could be markedly different from the closing price, with no opportunity to close your contract in-between, which could result in a significant profit or loss. A Non-guaranteed Stop will not protect you against this risk.

- **Out of Hours Markets:** during the out-of-hours sessions on index markets, our quotations reflect our own view of the prospects for a market. This could include referring to price movements in other relevant markets which are open. Furthermore, business done by other clients may itself affect our quotations. There may be nothing against which to directly measure our quotation at these times.
- **Past Performance:** Past performance is not an indication of future performance. The value of investments can go down as well as up.
- **Currency:** If you trade in a market denominated in a currency other than your base currency, currency exchange fluctuations will impact your profits and losses.

## CLIENT PERFORMANCE

Percentage of active Retail clients that were profitable in most recent quarters:

Quarter	FX CFD	Binary Options	Other CFD
Q1	43%	25%	29%
Q2	43%	17%	26%
Q3	41%	12%	30%
Q4	44%	16%	31%

*Past performance is not a reliable indicator of future results. Most retail clients lose money when trading with OTC derivative contracts.*

## MARKET LIQUIDITY

In setting our prices, spreads and the sizes in which we will deal, we take account of the market or markets for the relevant underlying instruments. Market conditions can change significantly in a very short period of time, so that if you wish to close a contract we might not be able to do so under the same terms as when you opened it. For example, buying interest in an underlying instrument might suddenly fall off so that we will not accept for immediate execution a sell order in the same size as an earlier buy order.

## NON-GUARANTEED STOPS

When a Non-guaranteed Stop is triggered it has the effect of issuing an order by you to close your Contract. It is therefore not closed immediately when the stop is triggered. We aim to deal with such orders fairly and promptly but the time taken to fill the order and level at which the order is filled depends upon the underlying market. In fast-moving markets a price for the level of your order might not be available, or the market might move quickly and significantly away from the stop level before we fill it.

## GUARANTEED STOPS

When you set a Guaranteed Stop we agree that if the stop is triggered your order to close is filled at the level at which the Guaranteed Stop has been set. This means that your potential loss is limited to that level in the currency of the exposure. If you maintain your Margin in a currency different from that of the transaction then you may incur an additional loss due to currency fluctuations (in the same way, it is also possible to profit from a currency conversion). A Limited Risk Account requires a Guaranteed Stop to be added to all positions.

## TAX TREATMENT

We are not responsible for the management of your tax affairs nor for providing returns on your behalf.

## NO ADVICE

We do not monitor positions on your behalf and we are not permitted to and do not provide investment advice relating to investments or possible transactions in investments. We are permitted to provide factual market information and information about transaction procedures, potential risks involved and how those risks may be minimized, but any decisions made must be yours.

## DIGITAL 100s

Digital 100s are Binary products. Binary Options are a type of CFD available on a CFD Account (collectively 'Binaries'.) Binaries share many of the same trading risk characteristics as CFDs, but due to the different pay out structure it is important to be aware that there is no effect of leverage.

When trading Binaries your capital is at risk. Whilst the amount you can win or lose when trading Binaries is fixed there is potential to make substantial losses. This can include losing your entire initial investment.

## CORPORATE EVENTS

We do not aim to make a profit from our clients from the outcome of corporate actions such as rights issues, takeovers and mergers, share distributions or consolidations, and, open offers. We aim to reflect the treatment we receive, or would receive were we hedging our exposure to you. Ultimately, however, you are not trading in the underlying market and therefore in relation to our contracts:

- the treatment you receive may be less advantageous than if you owned the underlying instrument;
- we may have to ask you to make a decision on a corporate action earlier than if you owned the underlying instrument;
- the options we make available to you might be more restricted and less advantageous than if you owned the underlying instrument; and/or
- where you have a stop attached to your open share position, the treatment that you will receive from us will always, to the greatest extent possible, aim to preserve the economic equivalent of the rights and obligations attached to your Contract with us immediately prior to the corporate event taking place.

## DEALING ON CREDIT

We offer this facility to very few clients, but if you deal on a credit basis, the extent of your agreed credit facility does not limit your loss or financial liability and you can be subject to margin calls for an amount in excess of your facility. As a consequence the amount of capital which you are prepared to place at risk should be sufficient to cover your credit limit and the possibility of subsequent margin calls.

## CONFLICTS OF INTEREST

IG Limited recognises that its activities create conflicts and has comprehensive policies and procedures in place in order to prevent, or manage them. The below list of conflicts is not exhaustive and other conflicts may arise in the course of your dealings with IG Limited:

- IG Limited deals as principal against clients and sets the prices at which a client may deal. Additionally, IG Limited effects transactions for clients in different directions so the interests of IG Limited's clients may be opposed, and, IG Limited carries out transactions on its own account in order to hedge the risk of its transactions with its clients.

- IG Limited also sets margin requirements for clients and stop processes and can have the right unilaterally to close out client positions. IG Limited may republish some non-independent research prepared by other firms.
- IG Limited may pay or accept to/from third parties: benefits, commissions or remunerations which are paid or received as a result of transactions conducted by a client.
- Our staff may receive small gifts and minor hospitality from other parties with which we do business but only in accordance with internal policies and only where it will not impair our duty to act in the best interests of our clients or other legal or regulatory obligations. Staff are not prohibited from dealing on their own account. Staff remuneration may depend on volumes of business.

We aim to keep a record of the kinds of activity we carry on in which a conflict could arise or has arisen, and, in doing so we take account of the activities of other members of our group of companies. We also maintain procedures to manage actual or potential conflicts. This includes procedures to maintain appropriate independence between members of our staff who are involved in different activities, for example, through the operation of information barriers, physical separation of staff, the segregation of duties and responsibilities and maintenance of a policy of independence which requires our staff, when providing services to a client, to act in the best interests of the client and to disregard any conflicts of interest; and, in some circumstances declining to act for a client or potential client.

## TRADING PLATFORMS

Electronic trading platforms, no matter how convenient or efficient, do not remove the risks associated with transactions.

An electronic trading platform for CFD and Binary Options transactions is not an exchange. It does not connect to or route orders to an exchange. It is simply an electronic connection for communicating with IG Limited. IG Limited is regulated by DFSA and registered in DIFC. IG Limited's services are regulated by DFSA however, the method through which you access these services, namely the trading platform, is not explicitly regulated by a financial services regulator. How you and IG Limited use the platform is governed only by your contract with IG Limited.

## ELECTRONIC COMMUNICATIONS

We offer you the opportunity to deal and communicate with us via electronic means, for example by our dealing platform and, in certain circumstances, by email. Although electronic communication is often a reliable way to communicate, no electronic communication is entirely reliable or always available. If you choose to deal with us via electronic communication, you should be aware that electronic communications can fail, can be delayed, may not be secure and/or may not reach the intended destination.

## OUR SERVICES

Instructions to deal from you to us form a commitment which may only subsequently be revoked by you with our prior consent (such consent will not be unreasonably withheld) at any time before the instruction to deal is executed.

## REGULATORY AND LEGAL RISK

The risk that a change in laws and regulations will materially impact a security and investments in a sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape and as such alter the profit potential of an investment.

This risk is unpredictable and may vary from market to market. In emerging markets such risk may be higher than in more developed markets. For example in emerging markets the inadequacy or absence of regulatory measures can give rise to an increased danger of market manipulation, insider trading or the absence of financial market supervision can affect the enforceability of legal rights.