IG

RISK DISCLOSURE NOTICE

You are considering dealing with IG Markets South Africa Limited ('we', 'our', 'us') in Contracts for Difference **('CFDs'). CFDs are high risk investments, which are not suitable for many members of the public.**

This notice provides you with information about the risks associated with CFDs, but it cannot explain all of the risks nor how such risks relate to your personal circumstances. If you are in any doubt you should seek professional advice. It is important that you fully understand the risks involved before making a decision to enter into a trading relationship with us.

If you choose to enter into a trading relationship with us, it is important that you remain aware of the risks involved, that you have adequate financial resources to bear such risks and that you monitor your positions carefully.

All financial instruments involve an element of risk. **The value of your investment may fall as well as rise and you may get back less than your initial investment.**

To find out the risks which are relevant to the account you have chosen, please see the relevant sections below:

Section 1: Contracts for difference (CFDs)
Section 2: General Risks

We provide execution only services and enter into principal-to-principal transactions with our clients on our prices. Such trades are not on an exchange. Whilst we are a regulated FSP, **CFDs issued by us are not regulated by the FAIS Act** as they are undertaken on a principal-to-principal basis. We will act as principal (and market maker) and not as an agent on your behalf, nor will we provide FAIS intermediary services.

This notice provides a general description of the risks of the products that you are able to trade through your IG Markets South Africa accounts, and the services provided by IG Markets South Africa. This notice does not explain all of the risks involved in investment products or how such risks relate to your personal circumstances. It is important that you fully understand the risks involved before making a decision to enter into a CFD (a '**Contract**') with us. **If you are in any doubt about the risks involved with your account, you should seek professional advice.**

SECTION 1: CONTRACTS FOR DIFFERENCE (CFDS)

CFDs are a type of transaction the purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of an underlying instrument. Types of CFDs include but are not limited to, Share CFDs and Stock Index CFDs. CFDs can only be settled in cash.

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 than the account balance.

NO ADVICE

Our services are provided on an execution only basis. We do not provide investment advice in relation to CFDs. We sometimes provide factual information or research about a market, information about transaction procedures and information about the potential risks involved and how those risks may be minimized. However, any decision to use our products or services is made by you.

You are responsible for managing your tax and legal affairs including making any regulatory filings and payments and complying with applicable laws and regulations. We do not provide any regulatory, tax or legal advice. If you are in any doubt as to the tax treatment or liabilities of investment products available through your CFD account, you should seek independent advice.

APPROPRIATENESS

Before we enable you to trade on a CFD account, we are required to make an assessment of whether the product(s) and/ or services you have chosen are appropriate for you, and to warn you if, on the basis of the information you provide to us, any product or service is not appropriate. Any decision to open an account and to use our products or services is yours. It is your responsibility to understand the risks involved with our products or services.

During our application process, we will ask you for information regarding your financial assets, knowledge and experience and earnings. We do not monitor on your behalf whether the amount of money you have sent to us or your profits or losses are consistent with that information. It is up to you to assess whether your financial resources are adequate for your financial activity with us and your risk appetite in the products and services you use.

IG Markets South Africa Limited, authorised and regulated by the Financial Sector Conduct Authority as an over-the-counter derivative provider and an authorised financial services provider (FSP No 41393)

GENERAL RISKS

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 where you have opened a CFD via our Direct Market Access platform) results in you entering into a Contract with us. These Contracts can be closed only with us and are not transferable to any other person. No Contracts provide any right to the underlying instruments or voting rights.
All Contracts you enter into with us are legally enforceable by both parties.

RANGE OF MARKETS

We offer our Contracts 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. 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.

NON-GUARANTEED STOPS

When a non-guaranteed stop is triggered it has the effect of issuing an order from you to us to close your Contract. Your Contract is 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 the level at which the order is filled depends upon the underlying market and the number of client orders triggered. 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 are able to fill it. To prevent this risk, guaranteed stops are available on certain Contracts.

CORPORATE EVENTS

We do not aim to make a profit from our clients from the outcome of corporate events such as rights issues, takeovers, mergers, share distributions or consolidations and open offers. We aim to reflect the treatment we receive or would receive if we were hedging our exposure to you in the underlying market.

Ultimately however, you are not dealing 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 event earlier than if you owned the underlying instrument.
- the options we make available to you might be more restricted and less advantageous to you then 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.

GOING SHORT ON INDIVIDUAL SHARES

Going short on an individual share via a CFD carries some additional risks. These risks include but are not limited to:

- forced buy-back due to changes in regulatory or stock-borrowing conditions.
- imposition of, and increase in, borrowing charges over the lifetime of the Contract; and/or
- the obligation to take the other side of purchase opportunities (e.g., rights issues) afforded to clients who are long on the same stock. This might result in the obligation to go further short at unfavorable market prices.

In addition, you should be aware that corporate events affecting obligations of short sellers can often be announced at very short notice, leaving no opportunity (or choice) to close Contracts out and avoid participation.

GENERAL TRADING RISKS

Even though the characteristics of your Contract will vary from those of the underlying instrument or market, it is important that you understand the risks associated with trading in the relevant underlying market because fluctuations in the price of the underlying market will affect your instruments and the profitability of your trades. CFDs are financial products that allow you to speculate on price movements in underlying markets and although the prices at which you trade these products are set by us, our prices are derived from the underlying market. Please see Section 2 for more details.

PAST PERFORMANCE

Past performance is not an indication of future performance. The value of investments can fluctuate.

CURRENCY

Your account is denominated in South African Rand (ZAR).

VOLATILITY

Movements in the price of underlying markets can be volatile. This will have a direct impact on your profits and losses. Knowing the volatility of an underlying market will help guide you as to where any guaranteed stops should be placed. It should be noted that volatility can be unexpected and unpredictable.

GAPPING

Gapping is a sudden shift in the price of an underlying market from one level to another. Various factors can lead to gapping (for example, economic events or market announcements) and gapping can occur both when the underlying market is open and when it is closed. When these factors occur when the underlying market is closed, the price of the underlying market when it reopens (and therefore our derived price) can be markedly different from the closing price, with no opportunity to sell your instruments before the market opens. Unlike a guaranteed stop, a non-guaranteed stop will not protect you against the risk of gapping.

MARKET LIQUIDITY

In setting our prices and the sizes in which we deal, we take into account 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 sell an instrument or close a Contract, you may not be able to do so under the same terms as when you purchased or opened it. 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.

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 measure our quotation at these times.

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GEARING AND LEVERAGE

Before you are allowed to enter into a Contract with us, you will generally be required to deposit money with us – this is called the margin requirement. This margin requirement will usually be proportion of the overall Contract value, for example 10% of the total Contract value. This means that you will be using 'leverage' or 'gearing' and this can work for or against you; a small price movement in your favor can result in a high return on the margin requirement placed for the Contract, but a small price movement against you may result in substantial losses.

At all times during which you have open positions, you must ensure that your account balance, taking into account all 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. If you do not do this, we will be entitled to close one or more or all of your positions. You will be responsible for any losses incurred as a result.

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.

SECTION 2: GENERAL RISKS

NEED TO MONITOR POSITIONS

It is important that you monitor all of your positions closely. It is your responsibility to monitor your positions and during the period that you have any open Contracts or Transactions, you should always have the ability to access your accounts.

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.

CLEARING HOUSE PROTECTIONS

On many exchanges, the performance of a transaction by us (or third-party with whom we are dealing on your behalf) is 'guaranteed' by the exchange or clearing house and we may have the benefit of certain legal protections from our clearing member. However, it is unlikely that in most circumstances this guarantee, or legal protections will cover you, the customer, and may not protect you if we or, another party were to default on obligations owed to you.

INSOLVENCY

The insolvency or default of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets that you have invested, and you may have to accept any available payments in cash. On request, we will provide you with an explanation of the extent to which we will accept liability for any insolvency of, or default by, other firms involved with your transactions.

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.

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