XM

MEMBER OF TRADING POINT GROUP

GENERAL RISK DISCLOSURE

Introduction

Trading Point of Financial Instruments UK Limited operating under the trading name XM.com is a UK Investment Firm registered with the Registrar of Companies in England and Wales under number: 09436004 and regulated by the Financial Conduct Authority ("FCA") under license number 705428 (hereinafter called the "Company"). The Company's registered office is Citypoint Building, 1 Ropemaker Street, London, EC2Y 9HT.

The Company is operating under Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, as the same may be in force from time to time and modified or amended from time to time (the "Markets in Financial Instruments Directive (2004/39/EC)" or "MiFID").

This notice is provided to you in accordance with the above-mentioned "Markets in Financial Instruments Legislation", because you are considering dealing with the Company in certain derivative financial instruments provided by the Company ("Financial Instruments").

This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in Financial Instruments and is solely designed to explain in general terms the nature of the risks particular to dealing in the Financial Instruments provided by the Company and to help you to take investment decisions on an informed basis.

Contracts for Difference (CFDs)

Contracts for Difference ('CFDs') are complex financial products, which have no set maturity date. Therefore, a CFD position matures on the date a client chooses to close an existing open position. CFDs, which are leveraged products, incur a high level of risk and can result in the loss of all of the client's invested capital. As a result, CFDs may not be suitable for all individuals.

A CFD is an agreement to either buy or sell a contract that reflects the performance of, including amongst others, forex, precious metals, futures and shares; the profit or loss is determined by the difference between the price a CFD is bought at and the price is sold at and vice versa. CFDs are traded on margin and it should be noted that no physical delivery of either the CFD or underlying asset is occurring. It should be noted that when clients purchase, for example, CFDs on shares they are merely speculating on the share's value to either increase or decrease.

Risk Warnings (General)

The Client should not engage in any investment directly or indirectly in Financial Instruments unless he knows and understands the risks involved for each one of the Financial Instruments. So, prior to applying for an account the Client should consider carefully whether investing in a specific Financial Instrument is suitable for him in the light of his circumstances and financial resources.

The Client is warned of the following risks:

1. The Company does not and cannot guarantee the initial capital of the Clients' portfolio or its value at any time or any money invested in any financial instrument.

2. The Client should acknowledge that, regardless of any information which may be offered by the Company, the value of any investment in Financial Instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value.

3. The Client should acknowledge that he runs a great risk of incurring losses and damages as a result of the purchase and/or sale of any Financial Instrument and accepts that he is willing to undertake this risk.

4. Information of the previous performance of a Financial Instrument does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Financial Instruments to which the said information refers.

5. The Client is hereby advised that the transactions undertaken through the services of the Company may be of a speculative nature. Large losses may occur in a short period of time, equaling the total of funds deposited with the Company.

6. Some Financial Instruments may not become immediately liquid as a result e.g. of reduced demand and the Client may not be in a position to sell them or easily obtain information on the value of these Financial Instruments or the extent of the associated risks.

7. When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may have a negative effect on its value, price and performance.

8. A Financial Instrument on foreign markets may entail risks different to the usual risks of the markets in the Client's country of residence. In some cases, these risks may be greater. The prospect of profit or loss from transactions on foreign markets is also affected by exchange rate fluctuations.

9. A Derivative Financial Instrument (i.e. option, future, forward, swap, contract for difference) may be a non-delivery spot transaction giving an opportunity to make profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument.

10. The value of the Derivative Financial Instrument may be directly affected by the price of the security or any other underlying asset which is the object of the acquisition.

11. The Client must not purchase a Derivative Financial Instrument unless he is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred.

12. Under certain market conditions it may be difficult or impossible to execute an order.

13. Placing Stop Loss Orders serves to limit your losses. However, under certain market conditions the execution of a Stop Loss Order may be worse than its stipulated price and the realized losses can be larger than expected.

14. Should the Equity of the Client be insufficient to hold current positions open, the Client may be called upon to deposit additional funds at short notice or reduce exposure. Failure to do so within the time required may result in the liquidation of positions at a loss and he will be liable for any resulting deficit.

15. A Bank or Broker through whom the Company deals may act in the same market as you and therefore their involvement could be contrary to your interests.

16. The insolvency of the Company or of a Bank or Broker used by the Company to effect its transactions may lead to the Client's positions being closed out against your wishes.

17. The Client's attention is expressly drawn to currencies traded so irregularly or infrequently that it cannot be certain that a price will be quoted at all times or that it may be difficult to effect transactions at a price which may be quoted owing to the absence of a counter party.

18. Trading on-line, no matter how convenient or efficient, does not necessarily reduce risks associated with currency trading.

19. Transactions may not be undertaken on a recognized or designated investment exchange and, accordingly, they may expose the Client to greater risks than exchange transactions; this is due to the fact that in OTC transactions there is no central counterparty and either party to the transaction bears certain credit risk (or risk of default). The Client may only be able to close an open position of any given contract during the opening hours of the exchange. The Client may also have to close any position with the same counterparty with whom it was originally entered into. In regard to transactions in Financial Instruments with the Company, the Company is using a Trading Platform for transactions in Financial Instruments which does not fall into the definition of a recognized exchange as this is not a Multilateral Trading Facility because the Company may be a in a client transaction.

20. The Company will not provide the Client with investment advice relating to investments or possible transactions in investments or make investment recommendations of any kind.

21. The Company may be required to hold the Client's money in an account that is segregated from other clients and the Company's money in accordance with current regulations, but this may not afford complete protection.

Volatility of price on the available market

The prices of derivative Financial Instruments and the Underlying Reference Instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company. Under certain market conditions it can be impossible to execute any type of Clients order at declared price. Therefore Stop Loss order cannot guarantee the limit of loss.

The prices of derivative Financial Instruments will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

Other additional obligation

Before the Client begins to trade, he should obtain details of all commissions and other charges for which the Client will be liable and which may be found on the Company's website. If any charges are not expressed in money terms (but for example as a dealing spread), the Client should obtain a clear written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.

The value of open positions in the Financial Instruments provided by the Company is subject to financing fees. The price of long positions in Financial Instruments is reduced by a daily financing fee throughout the life of the contract. Conversely, the price of short positions in Financial Instruments is increased by a daily financing fee throughout its life. Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees applied are available on the Company's website.

The Client should take the risk that his trades in Financial Instruments may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable. The Client should be responsible for any taxes and/or any other duty which may accrue in respect of his trades.

Leverage (or Gearing)

Investing in some Financial Instruments entails the use of "gearing" or "leverage". In considering whether to engage in this form of investment, the Client should be aware that the high degree of "gearing" or "leverage" is a particular feature of Derivative Financial Instruments. This stems from the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trade. If the underlying market movement is in the Client's favor, the client may achieve a good profit, but an equally small adverse market movement can quickly result in the loss of the Clients' entire deposit. The Company offers flexible leverage starting from 1:1 up to 1:500. Nonetheless, it should be noted that leverage restrictions may apply to certain instruments and/or jurisdictions. It should be noted that the Company shall monitor the leverage applied to client's positions, at all times; the Company reserves the right to decrease the leverage depending on the client's trade volume.

Margin requirements

Clients need to ensure that they have sufficient margin on their trading account, at all times, in order to maintain an open position. In addition, the client needs to continuously monitor any open positions in order to avoid positions being closed due to the unavailability of funds. The Margin requirement will depend on the underlying instrument of the derivative Financial Instrument, level of leverage chosen and the value of position to be established. The Company will not notify the Client for any Margin Call to sustain a loss making position. The Company has the discretionary right to start closing positions when Margin Level decreases to about 50%, and automatically close all positions at market prices if Margin Level drops below 20%. The Company guarantees that there will be no negative balance in the account when trading Financial Instruments provided by the Company.

Force Majeure Event

In the case of a Force Majeure Event the client shall accept any loss arising. For further details with respect to the Force Majeure Event read our Terms and Conditions of Business**.**

Other

This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in all Financial Instrument and investment services.

Our Risk Disclosure statements are not part of our Terms and Conditions of Business and are not intended to be contractually binding or impose or seek to impose any obligations on us which we would not otherwise have.

Should you have a question about the Risk Disclosures set forth herein please direct your questions to our Compliance Department: compliance@xm.co.uk.