

Risk Disclosure Statement

This risk disclosure statement is made pursuant to the rules. The risk of loss arising from trading in futures and options can be substantial. You should carefully consider whether such investments are suitable for you in the light of your circumstances and financial resources. You should be aware of the following points -

1. If the market moves against your position, you may, in a relatively short time, sustain more than a total loss of the funds placed by way of margin or deposit with your member. You may be required to deposit a substantial additional sum, at short notice, to maintain your margin balances. If you do not maintain your margin balances your position may be closed out at a loss and you will be liable for any resulting deficit.
2. Under certain market conditions it may be difficult or impossible to close out a position. This may occur, for example, where trading is suspended or restricted at times of rapid price movement.
3. Where permitted, placing a stop-loss order will not necessarily limit your losses to the intended amounts, for market conditions may make it impossible to execute such orders at the stipulated price.
4. A spread or straddle position may be as risky as a simple long or short position and can be more complex.
5. Markets in futures and options can be highly volatile and investment in them carries a substantial risk of loss. The high degree of "gearing" or "leverage" which is often obtainable in trading these contracts stems from the payment of what is a comparatively modest deposit or margin when compared with the overall contract value. As a result a relatively small market movement can, in addition to achieving substantial gains where the market moves in your favour, result in substantial losses which may exceed your original investment where there is an equally small movement against you.
6. When your member deals on your behalf, you should allow this only in contracts listed on the JSE. Should you deal in contracts not listed on the JSE, then you do so at your own increased risk.
7. Prior to the commencement of trading, you should require from your member written confirmation of all current commissions, fees

and other transaction charges for which you will be liable.

- 8.** Members may also be dealers trading for their own account in the same markets as you, in which case their involvement could be contrary to your interests.
- 9.** You should carefully consider whether your financial position permits you to participate in a syndicate. Areas of particular concern are -
 - 9.1 charges for management, advisory and brokerage fees;
 - 9.2 the performance record of the syndicate and for how long it has been operating; and
 - 9.3 the credibility of management.
- 10.** Your member should explain to you the meaning of various terms set out herein so that you are fully aware of their significance.
- 11.** If you have any doubts or concerns regarding the risks in trading financial futures you may contact the JSE for more detailed information before signing this statement.

This brief statement cannot disclose all risks of investment in financial futures and options. They are not suitable for many members of the public and you should carefully study such investments before you commit funds to them. They may also have tax consequences and on this you should consult your lawyer, accountant or other tax advisor.

