General Risk Disclosure

The risks and characteristics outlined immediately hereunder represent some of the more **general** risks and characteristics prevalent in **most** financial products. The list below should not be seen as exhaustive.

- Investing in the type of financial product traded on any market infrastructure means that the value of the financial product and income derived from such financial products may fluctuate and you may not recover your initial investment. Some of the main reasons why this may occur are the following:
  - The actual and perceived financial standing and trading well-being of the institution invested in may change.
  - The financial products are subject to supply and demand and significant price movements may result.
  - The market is capable of large movements due to economic, political and other factors such as regulations, laws, recession, inflation, employment levels, trade policies and war.
  - Interest-based financial products are affected by actual or expected changes in levels in interest rates.

- The risk of loss arising from investing in leveraged financial products can be substantial and losses can exceed deposits. You need to be mindful of the following when investing in leveraged financial products:
  - Leveraged or margined financial products can be highly volatile. The high degree of "gearing" or "leverage" which is obtainable in utilising these financial products stems from the payment of what is a comparatively modest security deposit when compared with the overall nominal value. 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 security deposit. You may be required to deposit a substantial additional sum, at short notice, to maintain their minimum security deposit balance. If you does not maintain their margin balances, your position may be closed out at a loss and you may be liable for any resulting deficit.
  - Under certain market conditions it may be difficult or impossible to close out a position.
  - 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.
  - Borrowing securities in order to sell them short, in the hope that the price of the underlying instrument will fall involves risk. Where the price of the underlying instrument rises, you can be exposed to significant losses as you may be forced to buy back securities at high prices should the position move against you.
  - A spread or straddle position may be as risky as a simple long or short position and can be more complex.

- When investing in foreign financial products, it is important to be aware of the following risks:
  - Obtaining access to investment performance information may be more difficult than South African-based investments.
  - Foreign financial products are exposed to different tax regimes which may change without warning and which may influence investment returns.
  - Exchange control measures may change in the country of investment and it may influence accessibility to the invested capital.
  - The value of the Rand has deteriorated over the last number of years. However, it is important to understand that should the Rand exchange rate strengthen against the exchange rate of the foreign currencies in which your funds are invested, it may create a loss of capital or reduced returns when the money is returned to the RSA in Rand.