

2018

One Global Market Limited – MiFiD II General Risks Disclosure Document

COMPLEX PRODUCTS - GENERAL RISK DISCLOSURE NOTICE

This notice is provided to you in compliance with Financial Conduct Authority (FCA) Rules. This notice does not disclose all of the risks and other significant aspects of derivatives products such as futures and options. You should not deal in derivatives unless you understand the nature of the contract you are entering into and the extent of your exposure to risk. You should also be satisfied that the contract is suitable for you in the light of your circumstances and financial position.

Certain strategies, such as “spread” position or a “straddle”, may be as risky as a simple “long” or “short” position. Whilst derivatives instruments can be utilised for the management of risk, some investments are unsuitable for many investors. Different instruments involve different levels of exposure to risk, and in deciding whether to trade in such instruments you should be aware of the following points:

(a) Contracts for Difference can be likened to futures which can be entered into in relation to the FTSE-100 index or any other index or share, as well as Currency. However unlike other futures and options, these contracts can only be settled in cash. Investing in a CFD carries risks similar to investing in a future or an option and you should be aware of these. Transactions in CFD may also have a contingent liability and you should be aware of the implications of this as set out in paragraph (c) below.

(b) Investing in precious metals, rolling forex or currency options carries similar risks as investing in a future and you should be aware of these. Transactions in precious metals, rolling forex or currency options may also have a contingent liability and you should be aware of the implications of this as set out in paragraph (d) below. In addition to standard industry disclosures contained in the Terms of Business, you should be aware that margined precious metals and currency trading are some of the riskiest forms of investment available in the financial markets and are only suitable for sophisticated individuals and institutions. Given the possibility of losing an entire investment, any additional funds deposited to maintain your position(s), and/or incurring a debit balance owed to OGM, speculation in the precious metals or foreign exchange market should only be conducted with risk capital funds that if lost will not significantly affect your personal or institution's financial wellbeing.

If you have pursued only conservative forms of investment in the past, you may wish to study precious metals or currency trading further before continuing an investment of this nature. You must also realise that the limited risk in buying options means you could lose the entire option investment should the option expire worthless. If you wish to continue with your investment, you acknowledge that the funds you have committed are purely risk capital and loss of your investment will not jeopardise your style of living nor will it detract from your future retirement program. Additionally, you fully understand the nature and risks of precious metals and currency investments, and your obligations to others will not be neglected should you suffer investment losses.

(c) Foreign markets. Foreign markets involve different risks from UK markets. In some cases risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign currency will be affected by fluctuations in foreign exchange rates. Such enhanced risks include the risks of political or economic policy changes in a foreign media, which may substantially and permanently alter the conditions terms, marketability or price of a foreign currency.

(d) Risk reducing orders or strategies. The placing of certain orders (e.g. “stop loss” or “stop limits” orders) that are intended to limit losses to certain amounts may not always be affected because market conditions or technological limitations may make it impossible to execute such orders. Strategies using combinations of positions such as “spread” and “straddle” positions, may be just as risky or even riskier than simple “long” or “short” positions.

(e) Prices. The prices posted on the OGM Online System may not necessarily reflect the broader market. We will select closing prices to be used in determining Margin requirements and in periodically marking to market the positions in customer accounts. Although we expect that these prices will be reasonably related to those available on what is known as the interbank market, prices we use may vary from those available to banks and other participants in the interbank market. Consequently, we may exercise considerable discretion in setting margin requirements and collecting margin funds.

(f) Weekend risk. Various situations, developments or events may arise over a weekend (Friday 16.30 ET – Sunday 18.00 ET) when the currency markets generally close for trading, that may cause the currency markets to open at a significantly different price from where they closed on Friday afternoon. Our customers will not be able to use the OGM Online System to place or change orders over the weekend and at other times when the markets are generally closed. There is a substantial risk that stop-loss orders left to protect open positions held over the weekend will be executed at levels significantly worse than their specified price.

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