

# **BLACKWELL GLOBAL INVESTMENTS LIMITED**

## **RISK WARNING DISCLOSURE**

## 1. General information

- 1.1 Blackwell Global Investments Limited (hereinafter the “Company” or “Blackwell Global”) is a Company incorporated in New Zealand, registered as a BVI Business Company under company number 3038690.
- 1.2 Every type of Financial Instrument has its own characteristics and entails different risks. This document contains information about derivative products such as FX and Contracts for Difference (“CFDs”), including some of the risks associated with trading with those financial instruments and should be read in conjunction with the Terms of Business and Product Disclosure Statement (“PDS”). It is not intended to mention or explain all risks and other important aspects involved in dealing with such financial instruments, nor does it disclose all risks, and it does not replace your own understanding and experience of the above-mentioned products. It explains, in general terms, the nature of the risks associated with trading in these financial instruments in order to assist you in understanding the nature and risks of this specific type of financial instruments being offered and, consequently, to be in a position to take investment decisions on an informed basis.
- 1.3 However, this document does not disclose all of the risks and other significant aspects of trading in such financial instruments. In light of the risks, you should undertake such transactions only if you fully understand the nature of the financial instruments into which you are entering and the extent of your exposure to risk. Trading in such high risk financial instruments may not be suitable for everyone and you should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. If you are in any doubt as to the suitability of any investment you should seek independent professional expert advice.

## 2. Risk Warning

- 2.1 CFDs are highly speculative and are suitable only for those Clients who understand and are willing to assume the economic, legal and other risks involved, and whom are financially able to assume losses significantly in excess of margin or deposits.
- 2.2 The Client unreservedly acknowledge and accepts that, regardless of any information which may be offered by the Company, the value of the financial instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value. As with any high risk financial product, you should not risk any funds that you cannot afford to lose.
- 2.3 The high degree of “gearing” or “leverage” is a particular feature of FX and CFDs meaning a relatively small movement in the underlying market can have a disproportionately effect on the Client’s trade. If the market moves against the client’s position, the client may be called upon to deposit substantial additional margin (funds), at short notice, to maintain his position. If the client fails to comply with a request for additional funds within the time prescribed, his position may be closed at a loss and he will be liable for any resulting deficit. The Company has the discretionary right to start closing positions when the margin level decreases to about 80% (“Margin Call”), and automatically close all positions at market prices if the margin drops to 50% (“Stop Out”).
- 2.4 A loss (which may or may not result in a Margin Call) may require the Client to immediately provide additional funds to the Company to maintain the open positions. The Company may also change its rates of initial margin and/or notional trading requirements at any time, which may result in a change to the margin the Client is required to maintain.
- 2.5 Such transactions in are not undertaken on a recognised stock exchange or on a Multilateral Trading facility (“MTF”), rather they are undertaken through the Company’s Trading Platform and, accordingly, they may expose the client to greater risks than regulated stock exchange transactions. The Trading Platform does not fall into the definition of a recognised stock exchange or of a MTF because the Company is always the counterparty in every client transaction. The terms and conditions and trading rules are established solely by the counterparty which in this case is the Company. Any open position must be closed with the same counterparty with whom it was originally entered into, thus the Company. The Client is obliged to close an open position of any given trade during the opening hours of the Company’s Electronic Trading Platform.
- 2.6 The Company may be required to hold client’s money in an account that is segregated from other clients and the Company’s money in compliance with the applicable regulations, but this may not afford complete protection.
- 2.7 As some financial instruments are quoted and settled in currencies other than the base currency of your account, trading in these instruments carries additional risk as the exchange rate at the time you close a trade and when your balance is converted to your base currency at the close of business on the same day may have fluctuated. Therefore, if you trade in an instrument that is not quoted in the base currency of your account, currency exchange fluctuations will impact upon your profits and losses.
- 2.8 Where the Company provides generic market recommendations, such generic recommendations do not constitute a personal recommendation or investment advice and have not considered any of your personal circumstances or your investment objectives, nor is it an offer to buy or sell, or the solicitation of an offer to buy or sell. Each decision, by the Client, to enter into a transaction with the Company and each decision as to whether a transaction is appropriate or proper for the Client is an independent decision by Client. The Company is not acting as an advisor. The Client acknowledges and agrees that the Company has no liability in connection with and is not responsible for any liabilities, claims, damages, costs and expenses, including attorneys’ fees, incurred in connection with Client following Company’s generic trading recommendations or taking or not taking any action based upon any generic recommendation or information provided by the Company.
- 2.9 There are no guarantees of profit nor of avoiding losses when entering into such trades. The Client acknowledges that he/she has received no such guarantees from the Company or from any of its representatives. The Client declares and warrants that he/she is fully aware of the risks inherent and is financially able to bear such risks and withstand any losses incurred.
- 2.10 All relevant cost and charges will be provided by the Company or set out in the Company’s website. Prior to trading, the Client should be aware of such costs and charges for which the Client will be liable, which may influence the account profitability of the Client.