



This notice ("**Risk Disclosure Notice**") is provided to you by Linear Markets Ltd ("**Linear Markets**" "**we**" "**us**" or "**our**") in compliance with the rules of the Financial Services Authority ("FSA").

In this notice, we provide you with information to help you understand the nature and risks of our products and services. However this **Risk Disclosure Notice** does not disclose all the risks and other significant aspects of CFD, Spot Forex, Futures and Option trading. You should not engage in our products unless you understand the nature of Over the Counter (**OTC**) Derivative trading, how it works, how you make a profit or a loss and the extent of your exposure to risk and loss. If you are in any doubt you should seek professional advice.

When trading OTC derivatives, your losses can be unlimited and no deposit or other amount paid, such as Margin, will limit those losses. If you choose to enter into a trading relationship with us, it is important that you remain aware of the risks, that you have adequate financial resources to cover such risks and that you monitor positions carefully.

General

Our CFDs, Spot Forex, Futures and Option trades are not made on any exchange. When engaging in OTC derivative trading you are placing trades in relation to movements of prices set by CFH Markets or Spread Co. Although our prices relate to prices of the underlying, they are not taken directly from any one source. This means that our price may be different to any exchange or market price, for the relevant underlying asset or index. We can change our prices at any time, in particular having regard to changes in the underlying to which our prices relate. Whether you make a profit or a loss depends on how our price has moved between, when you opened and closed your trade. Our terms and conditions clarify how you make a profit or a loss and Our Execution Policy gives further details in relation to our prices.

Leverage

Your trades with us will be subject to Linear Markets Terms and Conditions. It is in your own best interests to read and understand them before you engage in CFD, Spot Forex, Futures or Option trading with us. The "leverage" available (funds required to open a position compared to the size of trade you can place) means that a small deposit (Initial Margin) can lead to a large loss as well as gains. It also means that a relatively small movement can lead to a proportionately much larger loss or profit.

CFD, Spot Forex, Futures and Option trades are subject to payment of Variation Margin. If market with which your trade is placed moves against you, you may be required to pay additional Variation Margin at short notice to maintain your position. If you fail to do this, your Open positions may be closed and you will be responsible for the losses.



Losses can be unlimited, leading to all deposits, such as Initial Margin or Variation Margin being lost. You are required to pay all losses you sustain as well as all other amounts payable under our Terms and Conditions such as interest and costs.

No right to the Underlying

CFD, Futures and Spot Forex trades can only be settled in cash. Although, our prices relate to the underlying, you do not acquire the underlying instrument or any rights or delivery obligations in relation to it. Consequently, engaging in Contracts for Difference, Spot Forex, Futures and Option trading may expose you to greater risks than investments which are traded on a designated investment exchange. CFDs, Spot Forex, Futures and Option trading is legally enforceable, which means that we can take legal action to recover money you owe to us.

Monitoring positions

Due to leverage and the speed at which profits or losses can be incurred, it is imperative that you monitor your positions closely. It is your sole responsibility to monitor your trades and while you have open trades you should always be in a position to do so. Further factors which may affect the profitability of your trade include:

Currency - If you trade in a market other than your base currency market, currency exchange fluctuations will impact your profits and losses.

Volatility - Movements in the underlying markets can be volatile and unpredictable. This will have a direct impact on your profits and losses. Awareness of the underlying markets volatility will help guide you as to where any Stops should be placed.

Gapping - This is a sudden shift in the price of an underlying from one level to another. This can be due to instances such as economic events or market announcements. Gapping can occur when markets are opened or closed. If the market is closed when these factors occur, the opening price of the underlying market can be substantially different from the closing price, giving you no opportunity to close your trade in-between. 'Gapping' can result in a significant loss.

Market liquidity - Market conditions can change significantly in a very short period of time, so that if you wish to close a contract we may not be able to do so under the same terms as when you opened it.

Charges - Costs and charges are provided to you on our website. It is important that you are aware of all costs and charges that apply as they will affect your profitability.



Orders

You can use orders to help reduce your losses. However, the only type of order that is guaranteed to limit your loss (in market hours according to our Terms of Business) is a guaranteed stop loss order.

For all other orders, the price at which they may be executed is not guaranteed and so the extent to which they may limit your loss is not guaranteed. Some movements in the underlying make it impossible to execute orders at certain prices.

Please also note that for all orders (including guaranteed stop), our terms and conditions explain how orders operate; it is in your own best interest to make sure you understand how orders operate before you place an order.

Advice

We do not provide investment advice relating to investments or possible trades in investments. We are permitted to provide factual market information and information about trade procedures, potential risks involved and how those risks may be minimised, but, any decisions made must be yours.

Regulatory

Linear Markets Limited is authorised and regulated by the Financial Conduct Authority (FRN572911) with its registered office at Office A303.8 Tower Bridge Business Complex, 100 Clements Road, London, SE16 4DG, United Kingdom (company number 07604780).