

# Full Risk Warning

## Risk Warning

The purpose of this Notice is to provide information concerning the trading services offered by GMI (“we”, “us”, “our”, “ours” and “ourselves” as appropriate), together with guidance on and warnings of some of the risks associated with those services. Our trading services are not suitable for everyone so if you are unsure about any investment or financial decision, you should seek expert independent advice. Please note that the value of your investments may rise or fall depending on market conditions and that you may not always recoup your initial investment. In addition past performance should not be seen as an indication of future performance.

This Notice cannot and does not explain all of the risks associated with our services nor does it contain a detailed explanation as to how our services operate. For a detailed explanation of the services provided, please reference the customer agreement and its associated documents.

We offer trading services in CFDs and rolling spot FX contracts. We provide you with direct access to those trading services via a multilateral trading facility and electronic communications network (“the MTF” & the “ECN”). Whilst you will be trading on MTF/ECN prices, each trade is entered into with us as principal. In exceptional circumstances, for example where no trusted price is available on the MTF/ECN, we may in our sole discretion obtain prices from brokers that provide prices for CFDs and rolling spot FX contracts or obtain prices from our other customers and use these prices for our trades with you. Again, we will be entering into the trades with you on a matched principal basis. Please also note that for our CFD Indices product there are no general members. So although there may be prices on the MTF/ECN, the price is one of another customer rather than that of a market maker. Accordingly, prices may be available only intermittently.

In both of these scenarios (where we obtained a broker price, or where there is no general member) you may not be able to open or close a position when you want to, or at least not as frequently as you may have been able to if there was a general member price available on the MTF/ECN.

Our trading service carries a high level of risk and is not suitable for everyone. You should not trade with us unless you understand the nature of the transaction you are entering into and the extent of your potential loss from a trade. You must satisfy yourself that it is suitable for you in the light of your circumstances, financial resources and investment objectives. If you are in any doubt you should seek independent advice. You trade entirely at your own risk. Our trading service is execution-only. This means that we carry out your trading instructions. We do not provide you with any investment advice.

In deciding whether this type of trading is suitable for you, you should have regard to the following risks:

1. Our services involve a high degree of gearing or leverage. For the majority of the trades you place with us, you will be required to deposit a relatively modest proportion of the overall contract value to open the trade. This can work for and against you as a relatively small movement in the price of the financial instrument being traded can have a disproportionate effect on your trade. This may result in you achieving a good profit but equally may result in you incurring significant losses. These losses may be in excess of the cash you have deposited with us.
2. It is your responsibility to monitor your account at all times. It is important that you monitor your positions closely due to the speed at which profits or losses can be incurred. If you have working orders and open trades you should always be in a position to access and manage your account. You may do this on-line, 24 hours a day, 7 days a week. We can rectify mistakes, but only if you notify us as soon as possible and in any event within 24 hours of the trade.
3. You must understand that the price of the financial instruments being traded is determined by fluctuations in markets outside our control and that the historical performance of a financial instrument is no indication as to its future performance.
4. You may be required to deposit additional funds into your account at short notice in order to support your open trades and working orders. A failure to deposit additional funds when required to do so may result in all of your open trades being closed out and your working orders cancelled by us without notice to you.
5. There may be circumstances, for example where you have a large position and/or where there is low liquidity, where it is not possible to close your open trades immediately. It may take days or even weeks to do so. During this period the value of your open trades could fall, possibly by a significant sum, and you will be liable for the full amount of the losses that arise.
6. Some of our 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 on the next Business Day, may be 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.
7. We do not guarantee that an order you place to limit the loss on a trade will be filled at the price that you specify. In a fast moving market, your order may be liable to 'gap through', with the result that your trade is closed at an increased loss as compared with the level of the order that you placed. In the event that a 'gap through' occurs there can be a markedly different price in the financial instrument being traded with no opportunity to close your trade in-between. Therefore, an order you place to limit the loss on a trade should not be treated as a guarantee to limit your loss on that trade to a specific amount.

8. If you are categorised as a Professional or Eligible Counterparty client with us (as per FCA client categorisations), any money you transfer to us or is credited to your Account will be held in accordance with CASS 7.2 client money rules. You the client, hereby agree and give right to GMI to hold your funds within in a non-segregated bank account under a title transfer financial collateral arrangement, in accordance with the Financial Collateral Directive. Under this arrangement, title to all funds will transfer to GMI UK as soon as received by the firm.
9. You acknowledge that the ownership of any funds held under this arrangement will only be returned to you, as the client, once you have withdrawn these funds from your GMI account.
10. Furthermore, you understand that the title transfer collateral agreement will only be terminated through the termination of your entire client account agreement with GMI or in the event that GMI otherwise considers and agrees to a new policy to incorporate a client request as detailed within the client money rules below.
11. Should you wish to have your funds fully segregated and protected under the FCA's CASS client money rules, please put your request GMI in writing and email this to: support@gmindex.co.uk. GMI cannot guarantee that any such request will be granted but any requests received will be given due consideration and will be responded to you in writing. However, you acknowledge that GMI has no obligation to agree to any such a request.
12. If we categorise you as a Retail Client under FCA client categorisation regulations, any money you transfer to us or is credited to your Account will be held in a segregated trust account.
13. Our charges are set out on in our Trading Manual and on the Instrument Information on our Trading Platform. You should ensure that you aware of all the charges that apply to you and understand how our charging system operates before you commence trading with us.
14. One or more of your trades may be affected by a corporate action type event the occurrence of which may have a dramatic effect on that trade or trades and/or on your account generally. Please see the Customer Agreement and Trading Manual for further information and a worked example. We recommend that before you open a trade with us you carry out your own research into whether the trade that you intend to open is liable to be the subject of a corporate action type event and if so the likely effect of that action on the trade that you wish to open.

To the fullest extent permitted by law, in no event shall we or any of our directors, employees or agents have any liability whatsoever to you or any other person for any direct or indirect loss, liability, cost, claim, expense or damage of any kind, whether in contract or in tort, including negligence, or otherwise, arising out of or related to your use of with any customised interface or third party equipment, hardware or software, such as MT4 (a "Software Trading Tool") or any form of interaction between any Software Trading Tools and your Account (including but not limited to API and/or FIX interactions, a "Software Bridge").

## Loss of Regulatory Protections

Where GMI treats you as either a Professional Client or Eligible Counter-party, rather than a retail client, then you understand the consequences of being subjected to lesser regulatory protections, than those afforded to retail clients who receive the highest possible level of protection under the FCA regulatory system and therefore acknowledge that you shall:

- Lose your right to make any eligible complaints to the Financial Ombudsman Services (FOS);
- You may have fewer rights to compensation protection under the FSCS scheme, unless you are either an individual or qualify under the 'small company' test, whereby a company must satisfy two of the following three thresholds:
  - Annual turnover must be not more than £6.5m.
  - The balance sheet total is less than £3.26m
  - The average number of employees must be not more than 50.

[Further details can be found at <http://www.fscs.org.uk/>]

Your classification maybe taken into consideration by GMI within the Order Execution Policy, as well as provide you with less information regarding its products and services;

It will be assumed that you possess the necessary level of experience, knowledge and expertise in order to understand the inherent risks associated with these particular investments, products, services and associated transactions for which you have been classified as a Professional Client;

The Markets in Financial Instruments Directive impose detailed requirements on financial promotions directed at retail clients, however promotions directed at professional clients are simply subject to the high level requirement that they are fair, clear and not misleading. If there is anything in this Notice you do not understand, please contact our support department.