



Risk  
Warning



## Risk Warning

Orient Financial Brokers LLC is authorized and regulated by The Emirates Securities and Commodities Authority ("SCA"), register number 706064. This notice is provided to you because you are proposing to undertake dealings in OTC Derivatives. This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in OTC Derivatives.

OTC Derivatives are complex instruments and come with a high risk of losing money rapidly due to leverage.

You should consider whether you understand how OTC Derivatives work and whether you can afford to take the high risk of losing your money.

You should not engage in OTC Derivatives trading unless you understand the nature of the transaction you are entering into and the true extent of your exposure to the risk of loss. Your profit or loss will vary according to the extent of the fluctuations in the price of the "underlying markets".

For many members of the public, these transactions are not suitable; you should, therefore, consider carefully whether they are suitable for you in the light of your circumstances and financial resources. In considering whether to engage in this form of trading, you should be aware of the following:

1. The information we collect concerning your financial assets and earnings, trading related experience and knowledge is to assess the level of appropriateness of the products and services we can provide you, which is required by our regulators. You should consider whether you have sufficient financial resources to meet your financial activity needs with us and your risk appetite in the products and services you use. If you do not provide sufficient information, Orient Financial Brokers may be unable to do business with you.
2. The high degree of "gearing" or "leverage" is a particular feature of this type of transaction. This stems from the margining system applicable to such trades which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on your trade. If the underlying market movement is in your favor, you may achieve a good profit, but an equally small adverse market movement can very quickly result in a substantial loss.
3. Financial markets are volatile and prices can rise and fall quickly. This is particularly the case where price changes are driven by current news or events. Rapid price movements in underlying markets will have a direct impact on the profit or loss you make. You should monitor your open positions regularly and where appropriate make use of stop loss facilities. It is possible that underlying markets may shift from one level to a lower one whilst the market is closed. This will mean that when the market reopens it will do so at a lower price and there will be no opportunity for you to close your open positions before the market reopens.
4. Past performance is not a reliable indicator of future performance. The value of your positions can go down as well as up.



5. Foreign markets will involve different risks. In some cases, the risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign currency denominated markets may be affected by fluctuations in foreign exchange rates.
6. You may be called upon to deposit substantial additional margin, at short notice, to maintain your trade. If you do not provide such additional funds within the time required, your trade may be closed at a loss. It is your responsibility to closely monitor your positions during the period you have placed orders or there are positions in your trading account.
7. OTC Derivatives transactions will not be undertaken on a recognized or designated investment exchange. During normal market hours and outside normal market hours, Orient Financial Brokers LLC will execute OTC Derivatives Orders and Trades at Orient Financial Brokers LLC's price. Orient Financial Brokers LLC acted matched Principal with regards to execution of your trades in these OTC Derivatives in and out of market hours (see Orient Financial Brokers LLC's Terms of Business for market hours). Closing trades will be traded at the price dictated by the spread quoted at the time of closing, irrespective of the spread at the time of the opening trade, which may be larger or smaller. No guarantee is given as to the spread at the time of closing. All OTC Derivatives trades opened with Orient Financial Brokers LLC must be closed with Orient Financial Brokers LLC and cannot be closed with any other entity.
8. Prior to placing trades, you should ensure that you understand all charges for which you will be liable.
9. OTC Derivatives are higher risk investments than ordinary share dealing, as gearing can lead to significant losses, which can be more than your investment. However, to limit potential losses and bring peace of mind, clients trading through Orient Financial Brokers LLC have access to both a simple stop loss facility and, where Orient Financial Brokers offers this, a guaranteed stop loss facility. Both simple and guaranteed stop loss facilities are only available at the absolute discretion of Orient Financial Brokers. For further detail in relation to stop losses please refer to Orient Financial Brokers LLC's Dealing System. A stop loss order allows you to set a price which if breached will automatically trigger a sell order (for long positions) or buy order (for short positions) to close your current position. This facility is available at Orient Financial Brokers LLC's discretion when placing the deal either through the Dealing System or over the telephone.
10. With a simple stop loss, if the share or index breaches your stop loss, then your order will be executed when Orient Financial Brokers LLC is reasonably able to do so. This may mean the order is executed at less than your stop loss price in the case of a long position or more than the



stop loss price in the case of a short position. As it suggests, the stop loss order that is to be executed at the price you specify, even if the price of the underlying Referenced Investment makes a sudden movement and never actually trades at the price that you specified, your position may not be closed at your chosen price. The guaranteed stop loss facility may be available through Orient Financial Brokers LLC on some Referenced Investments as Orient Financial Brokers LLC or its counterparties determines in its discretion. You may also be required to pay a premium for the guaranteed stop loss facility when placing the deal. Please check via telephone if you want to use guaranteed stop loss. It is important to remember that Orient Financial Brokers LLC allows you to trade certain OTC Derivatives outside of normal market hours. For instance, the FTSE 100 Index CFD can be traded between 9am and 5.30pm (London time) when the normal market hours are 8am until 4.30pm (London Time). The prices quoted for Index OTC Derivatives are Orient Financial Brokers LLC's prices and are based on market movements. Outside normal market hours the prices are based on the interpretation of how the market may move if it were open. This means simple stop losses and guaranteed stop losses could be triggered outside of normal market hours based on movements in the price for similar correlated markets. For specific information about the Orient Financial Brokers LLC trading hours for each instrument, please refer to the Dealing System.

11. Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that trading is restricted or suspended. Where market conditions are highly volatile, Orient financial Brokers LLC may not be able to close your positions.
12. Orient financial Brokers LLC does not provide advice. May provide opinion on factual market information or information's, in relation to a transaction about which you have enquired, as to transaction procedures, potential risks involved and how those risks may be minimized.
13. Orient Financial Brokers LLC is required to hold your money in segregated accounts in accordance with the regulations of SCA, but this may not afford complete protection.
14. Orient Financial Brokers LLC's insolvency or default may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payment in cash.

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