RISK DISCLOSURE STATEMENT

You should note that there are significant risks inherent in investing in certain financial instruments and in certain markets.

Investment in derivatives, for example, may expose you to risks which are different to those investors might expect when they invest in equities. Similarly, investment in shares issued by issuers in emerging markets (by which we mean those that have an underdeveloped infrastructure or which are less economically or politically stable as markets in well-developed countries) involves risks not typically associated with equities investment in well-developed markets. Investment in any of the foregoing kinds of financial instruments is generally appropriate for those retail investors who are sophisticated and who understand and are able to bear the risks involved. Among such risks, there is the risk of losing the entire value of an investment or (in the case of certain derivative and other transactions and provided that no negative balance protection applies by virtue of any applicable legislation) the risk of being exposed to liability over and above the initial investment.

We set out below some specific risks and considerations for investors in relation to financial instruments of the type referred to above.

The information included herein is not intended to constitute a comprehensive statement of all the risks to which investors might be exposed to and there may be others that exist now or which may arise in the future. This document supplements any risks set out in the Client Agreement (including for the avoidance of doubt any Schedules thereto which constitute integral part thereof) and in any other documents (including key investor information or offering documents) disclosing risks specific to particular investments, products or services, incorporated herein by reference.

STABILISATION

You may enter transactions in newly issued securities in respect of which we or any of our affiliated persons is the stabilisation manager and the price of which may have been influenced by measures taken to stabilise it. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. Some regulators allow stabilisation in order to help counter the fact that when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found. As long as the stabilisation manager follows applicable regulations, it is entitled to buy back the securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation. The stabilisation rules:

(a) limit the period when a stabilisation manager may stabilise a new issue;
(b) fix the price at which the issue may be stabilised (in the case of shares and share options, but not bonds); and
(c) require disclosure of the fact that a stabilisation manager may be stabilising but not that it is actually doing so.

The fact that a new issue is or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

FOREIGN CURRENCY AND EXCHANGE RATES

Foreign markets will involve different risks from the domestic markets. In some cases the risks will be greater and/or additional or different l risks may be assumed by investors than those risks of domestic markets or in domestic currency. Investments in foreign securities may expose investors to the risk of exchange rate fluctuation and investors who deposit collateral denominated in one currency may be subject to margin calls in circumstances where the obligations secured by such collateral are denominated in another currency (in addition to the risk of margin calls for fluctuations in relative values). Some currencies are not freely convertible and restrictions may be placed on the conversion and/or repatriation of investors' funds including any profits or dividends.

EMERGING MARKETS

Investors should be aware that there may be potential risks posed by volatile political, legal and commercial conditions in emerging markets which may affect the value of or result in the loss of investments. The quality and reliability of official data published by governments and their agencies in emerging markets might not be equivalent to that available in developed markets. In addition, the absence of developed securities markets as well as potentially underdeveloped banking and telecommunications systems in such countries may give rise to greater custody, settlement, clearing and registration risks. Foreign investment in issuers in emerging markets may be restricted - sometimes such restrictions may not be published and investors may not be readily made aware of them. In such circumstances, there may be restrictions on repatriation of capital or an investment may have to be scaled down to comply with local foreign ownership restrictions.

Emerging markets may lack a fully developed legal system and the body of commercial law and practice normally expected to be found in countries with more sophisticated financial markets. Local laws affecting foreign investments continue to evolve in substance and interpretation, however this development might not always be positive for foreign investments as interpretation of the law sometimes might be arbitrary. Laws and regulations affecting foreign investments might change quickly and unpredictably. Additional legal uncertainties arise from various local, regional and national laws and there is a lack of judicial or legislative guidance or interpretation on unclear or conflicting laws. Additionally, government authorities have a broad discretion on the implementation of the laws. Effectively, this means that there is no guarantee that investors can operate in a stable legal or regulatory environment. Having to comply with conflicting and/or arbitrary laws might have an adverse effect on the investments. In addition, the rights of minority shareholders investing in equities have been given less protection than in more developed countries. There may also be no centralised system for recognising documents of title. Inability to prove or defend their title could adversely affect the investors. The rules in emerging markets with respect to regulating ownership, control and corporate governance may be seen as inadequate and may confer less protection for investors as compared to more developed economies and financial instrument may or may not be held in omnibus accounts and/or through intermediaries. There may be no or few restrictions for the company's management to terminate existing business operations, sell assets or in other ways materially impact the value of a company. Anti-dilution protection is also limited. Redress for violation of shareholder rights may not be as readily available as in developed countries.

Trading in securities on emerging markets may be halted or be subject to trading suspensions caused by extraordinary market volatility or other market disruption or force majeure events. There can be no assurance that the requirements of the market, necessary to maintain the listing of any securities will continue to be met or will remain unchanged.

TRANSACTIONS IN BONDS

Before trading any particular bond, you should understand the exact terms and conditions of the bond, including its credit rating, its maturity, its rate and yield, whether it is callable, and other relevant information.

Trading bonds may not be appropriate for all investors. Although bonds are often thought to be conservative investments, there numerous risks involved in bond trading.

When you purchase a corporate bond, you are lending money to a company. There is always the risk that the issuer will go bankrupt. If this happens, you will not receive your investment back. This is a risk of which you must be aware. Credit risk is figured into the pricing of bonds.

If an issuer 'calls' a bond, your investment will be paid back early. Certain bonds are callable and others are not, and this information is detailed in the prospectus. If a bond is callable, the prospectus will detail a 'yield-to-call' figure. Corporations may call their bonds when interest rates fall below current bond rates.

A 'put' provision allows a bondholder to redeem a bond at par value before it matures. Investors may do this when interest rates are rising and they can get higher rates elsewhere. The issuer will assign specific dates to take advantage of a put provision. Prepayment risk is figured into the pricing of bonds.

The rate of the yield to call or maturity of the bond may provide a negative return over the rate of inflation for the period of the investment. You must be aware that as the inflation rate rises, so do interest rates. Although the yield on the bond increases, the price of the actual bond decreases.

Changes in interest rates during the term of any bond may affect the market value of the bond prior to call or the maturity date.

INVESTING IN MUTUAL FUNDS

We recommend that you carefully read the mutual fund's prospectus prior to investing in the shares of a mutual fund. The prospectus contains important information about the fund's objectives, investment strategies, risks and expenses. Please note that we cannot verify or otherwise guarantee the accuracy or completeness of any mutual fund prospectus, statement of additional information, report to shareholders or proxy solicitation materials.

A mutual fund's past performance is no indication of future results. A mutual fund's performance can change over time depending upon a variety of market conditions and share prices can fluctuate on a daily basis. Your investment may be worth more or less than your original cost when you redeem your shares.

Mutual funds that invest in international securities can carry certain risks, including, but not limited to, political and economic instability, fluctuations in currency exchange rates, foreign taxes, and differences in regulatory requirements and financial accounting standards. Prior to making an investment decision, you are encouraged to carefully read the prospectus of any mutual fund that invests internationally.

Some funds may require a minimum holding period for their shares. Some funds charge an early redemption fee if they are sold before a stated holding period ends. Some mutual funds impose marketing and shareholder servicing fees. We may receive a portion of these fees as compensation for shareholder and marketing services rendered. Please always refer to the fund's prospectus and the statement of additional information (where applicable) or visit the fund's website to see if these conditions apply.

TAXES

As an investment holder, you may receive taxable income in the form of distributions and/or capital gains on your investment. We do not provide tax advice. You should consult with your tax advisor in order to determine the impact of taxes on your investments.

UNRATED/NON-PUBLICLY OFFERED SECURITIES

When you invest in unrated/non-publicly offered debt securities and unlisted equities and debentures, you may be exposed to a higher credit and liquidity risks. In general, you will have access to less reliable, less detailed and less complete information about the issuers. There may be no obligation for the companies to publish financial information, thus limiting your ability to carry out due-diligence or gain full knowledge on potential investments. Moreover, the general quality of data published by a company may not be as complete or adequate as or may even be below that published through a regulated market. Due to these circumstances you may be obliged to make investment decisions and investment valuations on the basis of financial information that will be less complete and reliable than would be accustomed or required or as otherwise expected in the regulated markets or in relation to public offerings.

SECURITIES LENDING

There are risks inherent in securities lending, including the risk of failure of the other party to comply with the terms of the agreement as regards payments to be made or securities to be delivered to the other party. Such failure can result in the inability of the lender to return the securities deposited and the possible loss of corporate benefits accruing thereon.

TRADING FACILITIES

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the one or more parties, namely the system provider, the market, the clearing house or member firms. Such limits may vary. You should always ask for details in this respect before conducting your transactions.

ELECTRONIC TRADING

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or not executed at all.

OFF-EXCHANGE TRANSACTIONS

Where we are permitted to effect off-exchange transactions we or any of our affiliates may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarise yourself with the applicable rules and attendant risks.

EXTENDED HOURS TRADING

Increased trading opportunity means increased ability to react to news and earnings reports that occur during pre- and post-market sessions. However the extended hours trading involves material trading risks, including the possibility of the following:

(a) Risk of timing of order entry. All orders entered and posted during extended-hours trading sessions must be limit orders. You must indicate the price at which you would like your order to be executed. By entering the price, you agree not to buy for more or sell for less than the price you entered, although your order may be executed at a better price. Your order will be executed if it matches an order from another investor or market professional to sell or purchase on the other side of the transaction. In addition, there may be orders entered ahead of your order by investors willing to buy or sell at the same price. Orders entered earlier at the same price level will have a higher priority. This means that if the market is at your requested price level, an order entered prior to your order will be executed first. This may prevent your order from being executed in whole or in part.

(b) Risk of execution pricing. For extended-hours trading sessions, quotations will reflect the bid and ask currently available through the utilized quotation service. The quotation service may not reflect all available bids and offers posted by other venues, and may reflect bids and offers that may not be accessible through us or respective trading partners. This quotation montage applies for both pre- and post-market sessions. Not all systems are linked; therefore you may pay more or less for your security purchases or receive more or less for your security sales through an exchange or market than you would for a similar transaction on a different exchange or market.

(c) Risk of lower liquidity. Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.

(d) Risk of higher volatility. Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed or not at all.

(e) Risk of changing prices. The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening the next morning. As a result, you may receive a price in extended hours trading which is inferior to that you would obtain during regular market hours.

(f) Risk of unlinked markets. Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities.

Accordingly, you may receive a price in one extended hours trading system inferior to one you would obtain in another extended hours trading system.

(g) Risk of news announcements. Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the, price of a security.

(h) Risk of wider spreads. The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity arid higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

(i) Risk of duplicate orders. There is a risk of duplicate orders if you place an order for the same security in both an extended-hours session and the regular trading session, even if that order is a day order. Orders executed during regular trading hours may not be confirmed until after the post-market extended trading session has already begun. Similarly, orders executed in the pre-market session may not be confirmed until after regular trading has begun.

(j) No Support. We do not have customer service 24 hours. This means that we will not answer client calls during much of the pre- and post-market trading sessions. This greatly increases the risk of loss if you make an error or if there is a system issue because no one will attend to your call until the beginning of customer service hours. You are solely responsible for any loss that occurs in its account for any reason during the non-core session.