



INDIVIDUAL CLIENT APPLICATION FORM



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Before completing this application form, please ensure that you have obtained and read the information regarding the products and services provided by City Credit Capital (UK) Limited and all relevant terms and policies made available and updated from time to time on our website www.ccccapital.co.uk

Once completed this form should be sent to City Credit Capital (UK) Limited, 12th Floor, 110 Bishopsgate, London, EC2N 4AY.

PLEASE COMPLETE THIS FORM IN BLOCK LETTERS AND IN BLACK OR BLUE INK.

Personal Details

Title: Mr Mrs Ms Other:

First name (s):

Middle Name(s):

Surname(s):

Email Address:

Phone Number 1:

Phone Number 2:

Date of Birth:

Country Of Birth:

Current Residential Address

Time At Address (months/years)

Home Address:

Previous Address (if current is less than 3 Years)

Time At Address (months/years)

Home Address:

City / Town:

State/Province/Region:

Postcode/Zip Code:

Country of Residence:

City / Town:

State/Province/Region:

Postcode/Zip Code:

Country of Residence:

Citizenship:

FATCA / Tax Status

For further information see the FAQ section on our web site under what is FATCA.

Please could you confirm

The country or countries where you are a tax resident

Whether you are a US Citizen, US Resident, US Green card holder.

 Yes No

If you are a US Citizen or a tax resident in the USA, Jersey, Guernsey, Isle of Man or Gibraltar please enter you TIN.

IF TIN is unavailable please specify reason

* A US Citizen is defined by the IRS as an individual born in the United States, Puerto Rico, Guam or the US Virgin Islands. An individual whose parent is a US Citizen. A former alien who has been naturalised as a US Citizen. For further information please visit: <http://www.irs.gov/Individuals/International-Taxpayers/Foreign-Persons>

**US telephone number, US mailing or residence address, US post box forwarding, "in care of" or "hold mail" address, Standing instructions regarding transfer of funds to an account maintained in the US, a power of attorney with someone in the US.

From time to time City Credit Capital (UK) Limited would like to send you information about our services and products including marketing releases and news from our company or any companies from within our group which we believe may be of interest to you. We may also pass your contact details to carefully selected third parties who may contact you regarding related services or products. If you DO NOT want to receive this information please tick the box.

Financial Information

Employment Status (Employed, Self-Employed, Retired, Unemployed, Student)
 Industry
 Name of Employer
 Position Held
 Time with current Employer

If you have indicated self-employed, please confirm the estimated turnover of your business below:

Yearly Income before Tax (in GBP)
 Total value of Savings and Investments (in GBP, assets minus liabilities)

Source of Funds Used For Your Investment with Us

Savings/Investments	Income	Pension(s)
Family Income or Savings	Inheritance	Other (Please state)

Purpose In Opening The Account

Hedging	Speculation	Capital Growth	Other
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Anticipated Investment Amount (GBP)

Are you registered with any Financial Regulators? Yes No
 If yes which Regulator and your reference number

Account Particulars

Choose your Platform
 Markets Trader 2 Meta Quotes MT4

Base currency for the account

USD	EURO	GBP
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Will any person other than the person(s) completing this application form control, manage or direct the trading of this account? Yes No

If you answered yes to the above question, please fill out the Limited Power of Attorney Form.

Appropriateness Questionnaire

We will assess the appropriateness of our products based on your answers to the questions within this section. Therefore, it is important that you answer as fully and accurately as possible. For full details on COBS 10 and our products – Please see Appendix 1

CFD = Contract for Difference (This includes a Financial Spread Bet (FSB)
 Spot Forex or Spot Metal or Spot Index = this includes Daily Rolling Cash or Rolling Cash products traded as a CFD or FSB

Trading History

1. Over the past three years, to what extent have you traded the following instruments?

Shares and Bonds	Never	1 to 10	10 to 25	26 to 50	50+
Futures	Never	1 to 10	10 to 25	26 to 50	50+
Forex, CFDs, Spread Betting	Never	1 to 10	10 to 25	26 to 50	50+

2. What has been your average trade size in Futures, CFDs, Forex or Spread Bets Lots?

Never Traded	0.1 to 1	2 to 4	5 to 10	10+
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3. How do you trade these products? (Pick one answer for the majority of your trades)

- I make my own trading decisions
- I use a fund manager or managed fund.
- I have never traded these products

Professional or Academic Knowledge

1. Do you have any relevant work experience that provides you with a good understanding of trading and the risks involved in Forex, CFD's, Spread Betting or Futures?

- Worked for at least 3 years in a directly relevant role
- Worked for less than 3 years in a directly relevant role
- No

1a. Please specify the company and position(s) you have held in which your knowledge of these products was increased. Please provide further details on how your role helped you gain knowledge of leveraged trading in Forex, CFDs, Spread Betting or Futures.

2. A relevant professional or academic qualification that would provide you with a good understanding of the risks involved in trading leveraged and derivative products?

- Yes
- No

2a. Please specify the subject, level and the type of the professional qualification or higher-level academic qualification gained. Please explain how it increased your knowledge of the principles and risks involved in leveraged trading in Forex, CFDs, Spread Betting or Futures.

3. Have you attended any educational seminars or courses on Forex, CFD's or Spread Betting?

- Yes
- No

3a. Please specify the seminar or course, did you take an examination/test and gain a pass certificate, the length of course, the areas covered and who with. Please explain how it increased your knowledge of the principles and risks involved in leveraged trading in Forex, CFDs, Spread Betting or Futures.

4. Are you aware that with CFDs, Spread Betting & Spot FX / Metals, your losses can be significantly larger than your initial stake?

Yes No

Signature & Declarations

I have read and fully understood City Credit Capitals Terms & Conditions (Terms) (including its Order Execution Policy), the Risk Disclosure Statement and the Data Protection and Disclosure of Information.

Data Protection

To comply with the Money Laundering Regulations, City Credit Capital (UK) Limited is required to collect information about you and to undertake checks on your identity and residential address, including assessing and using information held in database or other electronic format through other agencies. In carrying out electronic verification, other agencies may retain a record of the enquiry and information given to them. City Credit Capital (UK) Limited may also request further supporting documentation from you to verify these details. Your information may be disclosed to law enforcement agencies and other relevant organisations for crime detection and prevention purposes. City Credit Capital (UK) Limited may occasionally contact you by email, telephone or post to give you information about products and services offered that are similar or related to the product and services provided or previously provided to you.

If you do not consent to the use of your personal data in this way, we are unable to consider your application. By submitting the completed application form to us, you consent to the use of your information as indicated.

Tax or Residency Status

I agree that should my tax or residency status change it is my responsibility to immediately inform City Credit Capital (UK) Limited in writing of this change.

Accuracy of information

I confirm that the warranties, representations and undertakings set out in the Terms and any information disclosed by me are true, complete and accurate. I will promptly notify City Credit Capital (UK) Limited in writing if any information or representation materially changes or ceases to be true and accurate.

Fees

I authorise City Credit Capital (UK) Limited to deduct fees, commissions, costs and charges in relation to any trade executed on my/our behalf under the Terms of Business.

Payment of interest

I have read and understood the relevant provisions of the Terms with respect to payment of interest on money held on my behalf and I acknowledge that I shall not be entitled to receive any interest on such balances.

Provision of information

I have regular access to the Internet and consent to City Credit Capital (UK) Limited providing me with information including, without limitation, information about amendments to its Terms, Order Execution Policy and information about the nature and risks of investments by posting such information on its website at www.cccapital.co.uk or such other website as may from time to time be notified to me.

Risk Warning

I have read and fully understood that the trading of Foreign Exchange, Derivatives and Contracts for Difference carries a high level of risk to your capital and it is possible to lose more than your initial investment. Only speculate with money you can afford to lose. These products may not be suitable for all investors, therefore ensure you fully understand the risks involved and seek independent advice where necessary. I understand that these products may not be suitable for all investors, and fully understand the risks involved and that I should seek independent advice where necessary.

By agreeing to the Declaration you acknowledge that you have read and understood the above, and that you consent to comply with the requirements contained in them.

I agree

Signature

Print Name

Date

Terms and Conditions

MT4 Supplementary Terms and Conditions (Only applicable if applying for an MT4 Account)

Key Information Documents <https://www.ccccapital.co.uk/key-information/>

Appropriateness Questionnaire - Appendix 1

Risk Disclosure Statement - Appendix 2

I have read and understood the above documents

Signature

Print Name

Date

Appendix 1 - Appropriateness Questionnaire

As an FCA regulated firm, under COBS 10 - Appropriateness (for non-advised services), City Credit Capital (UK) Limited ("CCC") is required to assess the appropriateness of investments on behalf of its clients. This includes when dealing as agent in financial instruments deemed complex under an execution-only mandate. Please note, however, that it is your responsibility to confirm that the risk attached to investing is suited to you, in light of your investment needs, objectives and risk profile. If there are any changes to your circumstances that mean a product is no longer suited to your needs, it is your responsibility to notify us. Your experience and understanding of various types of investments is a critical factor in determining whether investing in a CCC product is an appropriate investment for you. In order to determine this, please work through the following assessments. We will assess the appropriateness of our products based on your answers to the questions within this questionnaire. Therefore, it is important that you answer as fully and accurately as possible. The questionnaire is designed to give us a clear picture of your knowledge and experience of the below investment types.

- Forex, Equity Indices, Commodities, Metals, Bonds, Interest Rates and Equities.
- Leveraged Products: Investments which allow you to gain exposure to a market which is greater than the amount you invest.

City Credit Capital offer:

- CFDs on various asset classes, including Spot FX, are a contract between two parties to exchange the difference between the opening price of the contract and the closing price of the contract. CFDs are contracts that give clients exposure to changes in the value of an underlying instrument but cannot result in the delivery of any share or instrument to or by the counterparties.
- CFDs on various asset classes, including Spot FX, are leveraged products allowing you to gain exposure to a market in an amount which is greater than the amount you originally invest. Initially you will only need to deposit a small percentage of the full value of the trade in order to open a position, this will result in your rate of return being magnified.
- When trading CFDs on various asset classes, including Spot FX, your profits or losses are based on the full notional value of the CFD position, as you only initially deposit a small percentage of the actual notional value of the contract this can result in you losing more than you initially deposited.
 - Expiring and Spot CFDs on various asset classes, including Forex, Commodities, Metals, Bonds, Interest Rates and Equities Indices.

A spot or rolling cash CFD is priced to the calculated cash value of the product, they have no expiry date and any dividend or financing adjustments are passed on any open positions at the end of the trading day. An expiring or Futures Based CFD has the financing and dividend adjustments factored into the actual price of the instrument. These instruments have a set expiry date and time, any positions still open at expiry will be automatically closed and the profit or loss realised.

* A lot is a standardised group of assets that is traded instead of a single asset. Often, the actual value of an asset or security means that trading a single unit of it isn't viable. A lot represents a set amount of a particular asset that is the amount you buy or sell with each transaction. It allows investors to have a standardised contract and enables them to know how much of an asset they are trading opening a position. A lot can refer to any asset class or financial instrument. For example Spot FX CFD Lots may be standardised to represent 100,000 units of the base currency.

Appendix 2 - Risk Disclosure Statement

This disclosure statement is designed to enable a relatively unsophisticated investor to understand the key concepts and risks associated with investing in complex financial products with City Credit Capital (UK) Limited.

Please read the following carefully:

Investment Products

This notice provides you with general information about the risks associated with investment products, which you may trade or invest in through services provided to you by City Credit Capital (UK) Limited ("CCC") and associated group entities.

You should also read the further information and warnings relating to foreign exchange and contracts for difference that are contained in *Schedules 4 and 5 of the Terms*.

CCC provides a range of investment services in relation to a number of financial products. This notice does not disclose all of the risks involved in the investment products offered by CCC such as foreign exchange and contracts for difference. This notice does not explain how the risks involved in the services and products offered relate to your personal circumstances.

It is important that you fully understand the risks involved in any products that you wish to invest in. You should not invest unless you understand the nature of derivatives and the extent of your exposure to risk. Although derivative instruments can be utilised for the management of investment risk, some of CCC's products are unsuitable for many investors. If you are in any doubt about the risks involved in your Account, you should seek professional advice.

You should note that:

If you choose to enter into a Contract with us or instruct us to conduct a Transaction on your behalf, it is important that you remain aware of the risks involved, that you have adequate financial resources to bear such risks and that you monitor your positions carefully.

Trading CFDs and FX Contracts is highly speculative, involves a significant risk of loss and is only suitable for those investors who:

- Fully understand and are willing to assume the risks involved
- Are experienced and knowledgeable about trading in derivatives and in underlying asset types
- Are able financially to assume losses significantly in excess of margin or deposits because you may lose the total value of the contract not just the margin or deposit.

Both CFD and FX transactions are among the most risky type of investments and can result in large losses.

General Risks

The following risks are applicable to all our Accounts:

No Advice

CCC's services are provided on a purely execution-only basis. CCC do not provide investment advice in relation to our products or services. Should you have any doubt about either the risks involved with your Account, or the regulatory, legal or tax implications of trading with CCC, you should seek professional advice.

Appropriateness

CCC must assess whether or not the product(s) and/or services you have chosen are appropriate for you prior to opening your account. In order to do this CCC will ask you for details around your previous experience of trading and your knowledge and experience. If, on the basis of the information you have provided to us, we consider that a product or service is not appropriate, we must warn you. However, the ultimate decision to open an account and to use CCC's products and services is yours. Therefore it is your responsibility to ensure that you are fully aware of, and understand, the risks involved with CCC's products and services.

Monitoring Positions

It is your responsibility to monitor any positions you may have and it is important that you do so.

Capital Loss

CFDs, which are leveraged products, incur a high level of risk and can result in the loss of all of your invested capital.

Past Performance Not a Reliable Indicator of Future Performance

Past performance is not an indication of future performance. The value of investments can go down as well as up.

Commissions

Before you begin to trade with CCC, you should obtain details of all commissions and other charges for which you will be liable. There may be charges that are not expressed in money terms (as a percentage of contract value for example), in this instance you should obtain a clear and written explanation to establish what the charges are likely to mean in specific money terms.

Currency

If you trade in a market other than your base currency market, currency exchange fluctuations will impact any profits or losses.

Volatility

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

Abnormal Market Conditions

Under abnormal market conditions, CFDs may fluctuate rapidly to reflect unforeseeable events. CCC may therefore be unable to execute your instructions at the declared price and a 'stop loss' instruction cannot guarantee to limit the latter's loss.

CFD prices are influenced by a large range of issues, such as, implementation of governmental, agricultural, commercial and trade programs and policies and national and international socio-economic and political events.

Leverage (Gearing)

Before you are allowed to enter into a Contract with CCC, you will generally be required to deposit money with us – this is called the margin requirement. This margin requirement will usually be a relatively modest proportion of the overall Contract value, for example 10% of the Contract value. This means that you will be employing 'leverage' or 'gearing'. This can work for or against you. In relation to gearing or leverage, a small price movement in your favour can result in a high return on the margin requirement placed for the Contract, but a small price movement against you may result in substantial losses.

Margin Account and Requirements

You should ensure that at all times you have sufficient margin on your trading account in order to maintain an open position. In addition, you need to continuously monitor any open positions in order to avoid positions being closed due to the unavailability of funds; it should be noted that CCC is not responsible for notifying you of any such instances.

Costs and Other Considerations

It is important that you understand fully all of the transaction, dealing, third party, ancillary charges and other fees for which you will be liable. These charges will affect your profit and / or may increase your loss. You should also ensure that you understand the extent of your exposure to potential loss.

Credit Risk

When trading CFDs, you are effectively entering into an over-the-counter ('OTC') transaction; this implies that any position opened with CCC cannot be closed with any other entity. OTC transactions may involve greater risk compared to transactions occurring on regulated markets, for example traditional exchanges; this is due to the fact that in OTC transactions there is no central counterparty and either party to the transaction bears certain credit risk (or risk of default).

Clearing House Protections

On many exchanges, the performance of a transaction by us (or third-party with whom we are dealing on your behalf) is 'guaranteed' by the exchange or clearing house and we may have the benefit of certain legal protections from our clearing member. However, it is unlikely that in most circumstances this guarantee or legal protections will cover you, the customer, and may not protect you if we or, another party were to default on obligations owed to you.

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 is not executed at all.

Insolvency

The insolvency or default of CCC, or that of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. On request, CCC must provide an explanation of the extent to which it will accept liability for any insolvency of, or default by, other firms involved with your transactions.

Taxation

Any tax advantage promoted as part of any investment is not guaranteed to remain in existence. Levels of taxation may change over time. CCC will not be responsible for assessing your personal tax position and the implications of investing and you should always take independent professional tax advice.

Regulatory and Legal Risk

There is always a residual risk that a change in laws and / or regulations will materially impact an investment in a sector or market. There can be a number of implications to a change in laws and / or regulations. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape and therefore alter the potential profit of an investment. In emerging markets such risk may be slightly different than it is generally in more developed markets. For example, in emerging markets the inadequacy or absence of regulatory measures can give rise to an increased danger of issues such as market manipulation and insider trading; the absence of financial market supervision can affect the enforceability of legal rights too.

Investment Specific Risks

Different financial instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points:

Contracts for differences

A contract for differences (CFD) is an arrangement made in a futures contract whereby differences in settlement are made through cash payments, as opposed to the delivery of physical goods or securities. Generally this is an easier method of settlement, due to the fact that both losses and gains are paid in cash. CFDs provide both the benefits and the risks of owning a security without actually owning it.

Essentially, CFDs are a type of transaction, of which the purpose is to make a profit, or avoid a loss, by reference to the fluctuations in the value or price of an underlying instrument. There are a number of difference types of CFD such as; Foreign Exchange CFDs, Futures CFDs, Commodity CFDs, Bond CFDs, Interest Rate CFDs, & Index CFDs.

CFDs can only be settled in cash.

CFDs are leveraged products, they therefore carry a higher level of risk to your capital compared to other financial products. The value of CFDs may increase or decrease depending on market conditions. CFDs are leveraged products and as such engaging in CFD trading may not be appropriate for you. When trading CFDs you may generate significant losses over a very short period of time

Transactions in contracts for differences may also have a contingent liability and you should be aware of the implications of this. See schedule 5 of our Terms of business for more information.

Investing in a CFD involves a high degree of risk. This is because when investing in CFDS you are obtaining 'leverage' or 'gearing'. Due to this, a relatively small movement in the price of the underlying investment can lead to a proportionately much larger movement in the value of your investment. Whilst this can work for you, it can also work against you. Therefore it is possible to lose significantly more money than just your initial deposit.

Risks related to 'Long' CFD positions i.e. for buyers of CFDs

The term being 'long' in CFD refers to buyers of CFDs on the market. Being long is to speculate that the market price of the underlying investment will rise between the time that you have bought the investment and when you sell it. In this scenario, when holding a 'long' position, you would expect to make a profit if the price of the underlying investment rises. If however the market price of the underlying investment falls, your potential loss may be bigger than the initial margin deposited.

Risks related to 'Short' CFD positions i.e. for sellers of CFDs

The term being 'short' in CFD refers to sellers of CFDs on the market. Being 'short' is to speculate that the market price of the underlying investment will fall between the time that you have bought the investment and when you sell it. In this scenario, when holding a 'short' position, you would expect to make a profit if the price of the underlying investment declines. If however the market price of the underlying investment rises your potential loss may be bigger than the initial margin deposited.

Contingent Liability Investment Transactions

Contingent liability investment transactions, which are margined, may require you to make a series of payments apart from any initial payment or premium.

If you trade in futures, contracts for differences or sell options, you may sustain a total loss of the margin you deposit to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered into the contract.

Foreign Currency and Exchange Rates

In the Forex market all world currencies are traded. The forex market is the largest and most liquid market in the world, with average traded values that can be trillions of dollars per day.

Currency exchange has no central marketplace; trade is conducted over the counter. The forex market is open 24 hours a day, five days a week, except for public holidays, and currencies are traded worldwide among the major financial centres.

Forex transactions take place on either a spot or a forward basis. A spot deal is for immediate delivery, which is defined as two business days for most currency pairs. Any forex transaction that settles for a date later than spot is considered a "forward."

A "future" is similar to a forward in that it's for a date longer than spot, and the price has the same basis. However, unlike a forward, futures are traded on an exchange. Futures can only be executed for specified amounts and dates.

Foreign markets involve different risks from domestic markets. The risks will be greater in some cases in a foreign market than a domestic market. The potential for profit or loss from transactions in foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

Investments in foreign markets may expose you to the risk of exchange rate fluctuation and if you deposit collateral denominated in one currency you 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.

Because the risk factor is high in Forex trading, if you do not have extra capital that you can afford to lose, you should not trade in the Forex markets. Trading in Forex is only suitable for sophisticated participants who are financially able to withstand losses that may substantially exceed the value of margins or deposits.

The amount of initial margin is small relative to the value of the Forex contract. Therefore, transactions are "leveraged" or "geared". A relatively small market movement will have a much larger impact, proportionately, on the funds that have been deposited or may have to be deposited. It is possible you will sustain a total loss of initial margin funds and any additional funds deposited to maintain your position. Where the market moves against a position, or margin levels are increased, it is possible you will be called upon to pay substantial additional funds immediately, or on a very short notice in order to maintain a position. If you aren't able to comply with a request for additional funds within the time prescribed, your position may be liquidated at a loss and you will be liable for any resulting deficit.

The placing of certain orders (e.g. "exit-stop", "stop-loss", etc.) which are intended to limit losses may not be effective due to market conditions which may make it impossible for CCC to execute client orders.

See schedule 4 of the Terms for more information.

Futures

Futures are financial contracts that create an obligation for the buyer to purchase an asset, or the seller to sell an asset, at a predetermined future date and price. Futures contracts detail the quality and quantity of the underlying asset; they are standardized to facilitate trading on a futures exchange. Some futures contracts may call for physical delivery of the asset, while others are settled in cash.

Futures carry a high degree of risk. Trading futures involves an obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle a position with cash.

As with other derivatives there is 'gearing' or 'leverage' that is often present in futures. This means that when trading futures, a small deposit or down-payment can potentially lead to large losses, as well as gains. This factor also means that a relatively small movement in the underlying price can lead to a proportionately much larger movement in the value of your investment. This can work against you, as well as for you. Futures transactions have a contingent liability and investors should be aware of the implications of this (see section on Contingent Liability Investment Transactions).

Broadly, the value of a future depends upon price movements in the underlying asset. The implication of this is that many of the risks applicable to trading the underlying asset apply equally to the future applicable to such asset. It is also important to note that futures are also exposed to liquidity risk which may result in it being difficult to liquidate a position if the market moves against you.

Index CFDs

CCC offer index CFDs that are futures based markets. Index futures are futures contracts on a stock or financial index. For each index, there may be a different multiple for determining the price of the futures contract.

The underlying commodity associated with an index future is a particular stock index, which cannot be traded directly. This causes futures to be the main way stock indexes can be traded, functioning and trading in the same way as other investments on the futures market.

Since an index is comprised of stock from multiple companies, settlement cannot be handled through the transition of ownership of a particular stock certificate. Instead, most index futures are settled in the currency associated with the investment.

Shares, also known as equities, represent a portion of the share capital of a company. The more shares an individual or entity owns in a company relative to the number of shares in issuance of that company, the greater percentage of the company they would own.

Shares, like all investments, carry with them a degree of risk. Generally, equities are considered to be more risky as an investment than fixed income, such as bonds for example. Equity prices can suffer from volatility (extreme movements up and down in price) either due to wider market forces (such as a falling stock market) or due to internal factors (such as financial problems in the underlying company).

Shares are bought and sold on stock exchanges. Shares in smaller companies carry with them a heightened risk of losing money. It is not unusual for shares to move up or down in price substantially and very quickly. It may not always be possible to sell these securities at a profit and you may get back much less than you paid for them.

Emerging markets also present a particular risk to investors in equities. There may be liquidity issues, as well as incorrect or conflicting information related to these investments that makes them a risky proposition. There is also the issue of the less stringent regulatory regimes in which the companies that issue the shares operate. Shares themselves are risky investments and it is possible that you may lose some or all of your original investment.

Index futures contracts like equity investments, carry more risk than guaranteed, fixed-income investments like bonds. However, the actual practice of trading futures is considered by many to be riskier than equity trading because of the leverage involved in futures trading.

Because of the leverage used in futures trading, it is possible to sustain losses greater than your original investment. Conversely, it is also possible to realise very large profits. Again, it is not that the actual asset you are investing in that carries more inherent risk; the additional risk comes from the nature and process of how futures contracts are traded.

Index CFDs are risky investments and it is possible that you may lose some or all of your original investment, and it is also possible to lose significantly more money than just your initial deposit.

Bonds

Bonds are debt market instruments. Bonds are issued by one party who promise to pay the buyer of the bond a fee and interest according to specific terms (which will vary). Although less volatile than shares, bonds can still be subject to substantial movements in price. Additional risks associated with Bonds include the risk of default and non-payment of interest and/ or principal by the issuer.

Much like equities, certain bonds are thought to be safer than others. Corporate bonds are generally considered to be riskier than Government bonds in the sense that governments are less likely to default than companies are. The probability of a bond issuer defaulting is signified by a 'bond rating'. These bond ratings take into account a bond issuer's financial condition as well as their potential for profit.

Corporate bonds are split into different types depending on the credit rating they are given. Broadly speaking, companies with what are considered to be good credit ratings are known as 'investment grade' bonds whereas companies with poor credit ratings are known as 'junk' bonds.

The value of bonds may rise or fall, and as such there is the risk that you may lose some or all of your original investment. Bonds issued by governments in emerging markets carry a particular risk due to the increased likelihood of default. The same applies to corporate bonds in those jurisdictions.

Commodities

Many futures markets are highly liquid but they often have a high degree of volatility. Commodities are the most volatile asset class. It is not unusual for the price of a raw material to half or double, triple or more over a very short time. This makes them tempting markets for traders who are looking to make profit out of that volatility.

Commodity futures offer a high degree of leverage. Leverage can result in serious losses because it takes only a small amount of margin to control a large amount of a commodity. You can make a lot of money, but you can also lose a lot in a very short space of time.

Commodities are therefore very risky investments, and it is possible that you may lose some or all of your original investment, and it is also possible to lose significantly more money than just your initial deposit.