

HARGREAVEHALE  
A Canaccord Genuity Group Company 

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## RISK WARNING

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## Risk Warning

You should be aware that with all of these investments there is a risk of losing your capital. The amount of risk varies with each type of investment but in the very worst case scenario this can mean all of your capital is lost. If your attitude to risk is that you are not prepared to take any risks with your capital you should instead consider investing in a deposit account or a guaranteed return investment.

We also offer very high risk investments such as warrants and covered warrants these are covered by a separate risk warning, please contact your nearest branch for further details. These investments are most suited to the experienced investor.

### Risk Factors

As with all market related investments the ultimate value of an investment is determined by the forces of supply and demand. The stronger the demand and weaker the supply the more likely that the price will rise and vice versa. Therefore in assessing risks you should consider factors that may affect the supply and demand of the investment.

As well as being subject to specific risks which vary with each investment (details of which can be found in our client agreement brochure), investment returns can also be affected by generic or macro-economic factors such as; government regulation, taxes, interest rates, oil prices, inflation, financial stability, competition, etc. Three risks relating to all investments are:

**Liquidity risk** - liquidity describes the ability to buy and sell investments. If trading is relatively infrequent or only done in small amounts the investment is described as illiquid. Buying and selling illiquid investments can be difficult and prices can be volatile and can easily be affected by the size of the order. Furthermore, most investments traded on markets have two prices, one for buying and one for selling. Therefore buying and selling within a short time period can incur a loss purely due to this difference. For illiquid investments there is an increased risk of there being a larger gap between the buying and selling prices.

**Exchange rate risk** - where an investment is purchased in a currency other than the currency which is most relevant to the investor, there is an increased risk that the movement in exchange rates will affect the returns the customer receives from the investment. Typically this applies to shares and other investments traded on overseas markets whose price is quoted in a foreign currency. But this can also apply to investing in a company whose main earning are generated in a foreign currency.

**Early redemption risk** - investing in certain products should be considered as a medium or long term exercise. If you need to use your capital in the short term, you should consider deposit accounts as you may suffer losses due to the short term market fluctuations and in some circumstances early redemption charges, please contact your nearest branch to discuss these investments further.