

## **RISK ACKNOWLEDGEMENT**

### **The Client acknowledges and understands that**

A) Trading in transactions are speculative, may involve a high degree of risk, and is appropriate only for persons who can assume risk of loss in excess of their margin deposit;

B) Price changes or fluctuations in trading may result in significant losses that may substantially exceed the Client's Margin deposit and under certain market conditions, the Client may find it difficult or impossible to close out a position;

C) Any profit or loss incurred as a result of a price fluctuation in contracts will be entirely for the Client's account and risk when the Client enters into a Transaction;

D) Guarantees of profit or freedom from loss are impossible in trading;

E) The Client has received no such guarantees or otherwise similar representations from BaileyHenry Capital or from any of its officers or employees with whom the Client is conducting his Account, and has neither entered into "This Agreement" nor any transactions, in consideration of or in reliance upon any such guarantees or similar representations;

F) BaileyHenry Capital will not monitor the Transactions entered into by the Client. The Client agrees that BaileyHenry Capital will not be held responsible for the outcome of such Transactions if they differ from what the Client might have presupposed and/or to the disadvantage of the Client; and BaileyHenry Capital ;

G) The Client shall make his own judgements and decisions independently without reliance on BaileyHenry Capital in his decisions in relation to Transactions. The Client accepts full responsibility for his judgment relating to Transactions.

### **Risk of trading in Over-the-Counter contracts**

The risk of loss in over-the-counter trading can be substantial. You may sustain losses in excess of your initial margin funds. Placing contingent orders, such as "stop-loss" or "limit" orders, will not necessarily limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore carefully consider whether such trading is suitable in light of your own financial position and investment objectives.

### **Electronic trading**

Trading on an electronic trading system may differ 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.