



RISK DISCLOSURE STATEMENT FOR FOREX TRADING AND INTERACTIVE BROKERS LUXEMBOURG SARL ("IBLUX") MULTI-CURRENCY ACCOUNTS

- A. **Overview:** Interactive Brokers Multi-Currency enabled accounts allow IBLUX Clients to trade investment products denominated in different currencies using a single Interactive Brokers ("IB") account denominated in a "base" currency of the Client's choosing. IBLUX Clients can also use their Multi-Currency enabled accounts to conduct foreign exchange transactions in order to manage credits or debits generated by foreign securities, options or futures trading, to convert such credits or debits back into the Client's base currency, or to hedge or speculate. IB foreign exchange transactions offered to retail Clients are forex spot transactions.
- B. **General Risk:** Client understands and acknowledges that buying and selling securities, options, futures and other financial products that are denominated in foreign currencies or traded on foreign markets is inherently risky and requires substantial knowledge and expertise. Clients applying for Interactive Brokers Multi-Currency enabled accounts represent that they are aware of and understand the risks involved in trading foreign securities, options, futures and currencies and that they have sufficient financial resources to bear such risks.
- C. **Client Responsibility for Investment Decisions:** Client acknowledges that IBLUX representatives are not authorised to provide investment, trading or tax advice and therefore will not provide advice or guidance on trading or hedging strategies in the Multi-Currency enabled account. Clients must evaluate carefully whether any particular transaction is appropriate for them in light of their investment experience, financial objectives and needs, financial resources, and other relevant circumstances and whether they have the operational resources in place to monitor the associated risks and contractual obligations over the term of the transaction. In making these assessments, IBLUX strongly recommends that Clients obtain independent business, legal, and accounting advice before entering into any transactions.
- D. **Exchange Rate Risk:** Exchange rates between foreign currencies can change rapidly due to a wide range of economic, political and other conditions, exposing the Client to risk of exchange rate losses in addition to the inherent risk of loss from trading the underlying financial product. If a Client deposits funds in a currency to trade products denominated in a different currency, Client's gains or losses on the underlying investment therefore may be affected by changes in the exchange rate between the currencies. If Client is trading on margin, the impact of currency fluctuation on Client's gains or losses may be even greater.
- E. **Currency Fluctuation:** When Client uses the foreign exchange facility provided by IBLUX to purchase or sell foreign currency, fluctuation in currency exchange rates between the foreign currency and the base currency could cause substantial losses to the Client, including losses when the Client converts the foreign currency back into the base currency.

F. Nature of Foreign Currency Exchange Transactions Between Client and IBLUX: When Client enters into a foreign exchange transaction with IBLUX, IBLUX, as the counterparty to Client's trade, may effectuate that transaction by entering into an offsetting transaction with one of IBLUX's affiliates, with another customer that enters quotes into IBLUX's system, or with a third party bank (IBLUX's "Forex Providers"). In such transactions, the Forex Provider is not acting in the capacity of a financial adviser or fiduciary to Client or to IBLUX, but rather, is taking the other side of IBLUX's offsetting trade in an arm's length contractual transaction. Client should be aware that the Forex Provider may from time to time have substantial positions in, and may make a market in or otherwise buy or sell instruments similar or economically related to, foreign currency transactions entered into by Client. IBLUX's Forex Providers may also undertake proprietary trading activities, including hedging transactions related to the initiation or termination of foreign exchange transactions with IBLUX, which may adversely affect the market price or other factors underlying the foreign currency transaction entered into by Client and consequently, the value of such transaction.

G. Prices on the IBLUX Forex Platforms: The prices quoted by IBLUX to Clients for foreign exchange transactions on Interactive Brokers' IdealPro platform will be determined based on Forex Provider quotes and are not determined by a competitive auction as on an exchange market. Prices quoted by IBLUX for foreign currency exchange transactions therefore may not be the most competitive prices available. For purposes of maintaining adequate scale and competitive spreads, a minimum size is imposed on all IdealPro orders (please see the Interactive Brokers website for more information on the minimum size imposed). Orders below the minimum size are considered odd lots and limit prices for these odd lot-sized orders are not displayed through IdealPro. IBLUX will charge transaction fees as specified on the Interactive Brokers website for foreign currency exchange transactions. IBLUX's Forex Providers will try to earn a spread profit on transactions with IBLUX (differential between the bid and ask prices quoted for various currencies).

H. Price Slippage; Order Cancellation and Adjustment: Prices quoted on Interactive Brokers' system generally reflect the prices at which IBLUX's Forex Providers are willing to trade. Prices quoted on IB's system reflect changing market conditions and therefore quotes can and do change rapidly. As such, when a Client order is received and processed by IB's system, the quote on IB's platform may be different from the quote displayed when the order was sent by Client. This change in price is commonly referred to as "slippage." IBLUX generally will not execute a Client order at a certain price unless IBLUX is able to trade at that price against one of IBLUX's Forex Providers.

If Client sends an order for a forex transaction to IB's system but Client's requested price is no longer available and therefore the order is non-marketable, IBLUX will not execute the order then but will place it in IB's limit order book in accordance with Client's time-in-force instructions. IBLUX may execute the order if it becomes marketable based on prices received from IBLUX's Forex Providers.

If Client sends an order for a forex transaction to IB's system and the current price is more favourable for Client than what Client requested in the order, the order will generally be executed at the available better price.

Although IBLUX attempts to obtain the best price for Client orders on forex transactions, because of the inherent possibility of transmission delays between and among Clients, IBLUX and Forex Providers, or other technical issues, execution prices may be worse than the quotes displayed on the IB platform.

To execute your order, Interactive Brokers engages in back-to-back transactions with one or more counterparties. These counterparties on occasion may cancel or adjust forex trades with us in the event of market or technical problems. In these cases, we may have to cancel or adjust forex trades that you have executed.

- I. **Other Risks:** There are other risks that relate to trading foreign investment products and trading foreign currencies that cannot be described in detail in this document. Generally, however, foreign securities, options, futures and currency transactions involve exposure to a combination of the following risk factors: market risk, credit risk, settlement risk, liquidity risk, operational risk and legal risk. For example, there can be serious market disruptions if economic or political or other unforeseen events locally or overseas affect the market. Also, the settlement date of foreign exchange trades can vary due to time zone differences and bank holidays. When trading across foreign exchange markets, this may necessitate borrowing funds to settle foreign exchange trades. The interest rate on borrowed funds must be considered when computing the cost of trades across multiple markets. In addition to these types of risk there may be other factors such as accounting and tax treatment issues that Clients should consider.

Interactive Brokers Luxembourg SARL is authorised as an investment firm in the Grand Duchy of Luxembourg and supervised by the Commission de Surveillance du Secteur Financier.