

## **Sommerville Advisory Markets**

### **Risk Warning Notice ('RWN')**

#### **Introduction**

You are considering dealing with us in spread bets, shares, contracts for differences ("CFDs"), exchange traded futures, options and/or warrants and rolling spot foreign exchange spread bets (including where we offer these services in connection with discretionary investment management services) which we term collectively "Dealing Services".

This notice is designed to explain in general terms the nature of and risks particular to Dealing Services to help you to take investment decisions on an informed basis. However, please note that this notice cannot and does not explain all the risks.

Dealing Services carry a higher risk of loss than trading many traditional instruments, such as most large cap equities or fixed income securities. For many members of the public our Dealing Services will not be suitable. You should not receive Dealing Services unless you know and understand the features and risks of the transactions you wish to carry on and are also satisfied that the relevant transactions are suitable for you in light of your circumstances and financial resources.

In considering whether to engage in Dealing Services, you should be aware of the following:

#### **Risks and Leverage**

- A high degree of "gearing" or "leverage" is associated with Dealing Services. This stems from the margining system applicable to Dealing Services, which generally involves a comparatively modest deposit of the overall contract value to open a margined transaction. This can work for you and against you. A small price movement in your favour can result in a high return on the money placed on deposit; however, a small price movement against you may result in substantial losses, possibly more than the money placed on deposit. Prices can move quickly.
- You may be called upon to deposit substantial additional margin, at short notice, to maintain your margined transaction. If you do not do so within the time required, your margined transaction may be closed at a loss and you will be liable for that loss.

#### **Volatility**

As mentioned above whether you make a profit or a loss will depend on the prices we set and fluctuations in the price of the Underlying to which your transaction relates. Neither you nor we will have any control over movements in the Underlying. Movements in the Underlying can be volatile and unpredictable.

Movement of the Underlying may affect your or our ability to close a transaction, making it difficult or impossible to close a transaction. This may occur, for example, if the Underlying is suspended or restricted from trading on an exchange.

#### **Nature of Dealing Services**

- Our terms and conditions explain in detail how Dealing Services operate.
- Dealing Services involve a bet/trade on price movements. Those prices are set by your executing broker; please see our Order Placing Policy. Whether you make a profit or loss will depend on the prices we set and fluctuations in the underlying financial instrument ("Underlying") to which your Dealing Service relates.

- In certain circumstances your losses in connection with Dealing Services may be unlimited. For instance, if you short a market and the price rises, it is impossible to know the limit of your potential losses until you end the transaction. You must ensure that you understand the potential consequences of any particular transaction and be prepared to accept that degree of risk.
- Dealing Services are not necessarily executed on a recognised or designated investment exchange. If you open a transaction with an executing broker, you may have to close it with that broker.
- You will not necessarily acquire the Underlying nor any rights or delivery obligations in relation to the Underlying as Dealing Services are usually settled only in cash. .
- Transactions which settle in a currency other than your base currency may be affected by the conversion of any profit or loss into your base currency.
- We deal on an execution-only basis with you and do not provide you with personal recommendations on the merits of particular transactions. As such, we do not confirm the suitability of the Dealing Services and in asking us to enter into any transaction, you represent that you have been solely responsible for making your own independent appraisal and investigation into the risks of the transaction. We will not owe you fiduciary or similar obligations in connection to any trade or in our relations with you.
- Where we do provide marketing communications, such as trading ideas, market commentary or other information, either by email or over the telephone:
  - this is incidental to your dealing relationship with us. It is provided solely to enable you to make your own investment decisions and does not amount to investment advice and may not be suitable for you;
  - we give no representation, warranty or guarantee as to the accuracy or completeness of such information; and
  - in particular, any representation of past performance should not be seen as an indication of future performance even where we make reference to hypothetical performance.
- Dealing Services are legally enforceable.

## General

If there is anything you do not understand, or you require clarification on any matter, please contact [info@sam.ie](mailto:info@sam.ie) .

For the purposes of Dealing Services, Somerville Advisory Markets arranges transactions with a third party execution broker. You will have a separate contract with the broker you or we nominate to execute your transaction (your Third Party Account).

Sommerville Advisory Markets is a branch office and trading name, registered with the Financial Services Authority, of Agincourt Financial Limited and is supervised by the Central Bank of Ireland.

Agincourt Financial Limited is authorised and regulated by the Financial Services Authority. Firm identification number 197236. (Company No: 4140761)  
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