



EMPEROR
ASSET MANAGEMENT

RISK DISCLOSURE STATEMENT

RISK DISCLOSURE STATEMENT AS REQUIRED BY SAFEX



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*Receive income monthly
from the cash & dividend
component of your invest-
ment or choose to reinvest it
into your investment while
preserving your capital
at the same time..*

TO BE GIVEN BY ALL MEMBERS OF THE EXCHANGE TO CLIENTS

This risk disclosure statement is made pursuant to the Rules of the Exchange.

The risk of loss arising from contracts can be substantial. You should carefully consider whether such investments are suitable for you in the light of your circumstances and financial resources. You should be aware of the following points:

- 1 If the market moves against your position, you may, in a relatively short time, sustain a total loss of the funds placed by way of margin or deposit with your broker. You may be required to deposit a substantial additional sum, at short notice, to maintain your margin balances. If you do not maintain your margin balances your position may be closed out at a loss and you will be liable for any resulting deficit.
- 2 Under certain market conditions it may be difficult or impossible to close out a position. This may occur, for example, where trading is suspended or restricted at times of rapid price movement.
- 3 Where permitted, placing a stop-loss order will not necessarily limit your losses to the intended amounts, for market conditions may make it impossible to execute such orders at the stipulated price.
- 4 A spread or straddle position may be as risky as a simple long or short position and can be more complex.
- 5 Markets in contracts can be highly volatile and investments in them carry a substantial risk of loss. The high degree of “gearing” or “leverage” which is often obtainable in trading these contracts stems from the payment of what is a comparatively modest deposit or margin when compared with the overall contract value. As a result, a relatively small market movement can, in addition to achieving substantial gains, where the market moves in your favour, result in substantial losses which may exceed your original investment where there is an equally small movement against you.
- 6 When your broker deals on your behalf, you should do so only in the type of contracts listed on the Exchange. Should you deal in futures contracts not listed on the Exchange, then you do so at your own risk.
- 7 Prior to the commencement of trading, you should require from your broker written confirmation of all current commission, fees and other transaction charges for which you will be liable.
- 8 Brokers may also be dealers trading for their own account in the same markets as you, in which case their involvement could be contrary to your interests.
- 9 Your broker’s insolvency or that of any other brokers involved in your contracts may lead to your positions being closed out without your consent.
- 10 You should carefully consider whether your financial position permits you to participate in a syndicate. Areas of particular concern are charges for management, advisory and brokerage fees; the performance record of the syndicate and for how long it has been operating; the credibility of management.
- 11 Your broker should explain to you the meaning of the various terms set out herein so that you are fully aware of their significance



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*A fully transparent fund,
with clients receiving monthly
or even daily investment
statements that include
alpha and beta levels,
together with upside and
downside capture.*

- 12 Your broker is required to disclose and explain to you in terms of Section S.25 of the Financial Markets Control Act, 1989 (“The Act”) in respect of unsolicited calls. The working of Section 25 of the Act is set out in the Schedule attached to this risk disclosure statement.
- 13 If you have any doubts or concerns regarding the risks in trading financial futures you may contact SAFIA or SAFEX for more detailed information before signing the acknowledgment. (Attached to this statement).

This brief statement cannot disclose all risks of investments in financial futures. They are not suitable for many members of the public and you should carefully study such investments before you commit funds to them. They may also have tax consequences and on this you should consult your lawyer, accountant or other tax advisor.