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RISK NOTIFICATION

The purpose of this RISK NOTIFICATION (WARNING) is to provide you with guidance on the types of risk relevant to a range of investment products. The price or value of an investment realized depends on fluctuations in financial markets, which are outside of DCCL's control. You will appreciate that past performance of any investment does not provide an indicator of how well it will perform in the future. You may lose part/all of their money depending on the type of investment.

DCCL strongly recommends you to acquaint with the risks relevant to any investment you are contemplating.

You should fully understand:

- *that investments are made at your own risk*
- *the need to carefully study all relevant information on the financial instrument in question and risks involved before trading in financial instruments*
- *the need to regularly monitor changes in the value of holdings of financial instruments*
- *the need to react by selling holdings if required in order to reduce the risk of losses on the client's own investments*

Financial Instruments and Risks Involved

Shares

Shares represent an interest in the share capital of a company. Regarded from an economic point of view, the shareholder may consider himself the owner of a part of the capital of a business. Shares could become valueless in the event of bankruptcy of the company. Shareholders may qualify for dividend payments, but these are paid only at the discretion of the management of the company shares aquired. A shareholder's return from investing in shares derives from the market value of these shares at the time of sale. The market price is affected by supply and demand that, in turn, is affected by a range of factors that affect the market in which the company operates and factors in relation to the company itself. The risks of an investment could thus be rather diverse, depending on, amongst other things, the development of the Company's activities and the quality of its management.

Bonds

Bonds are debentures of a loan issued by a government or corporate institution. The entity (issuer) that has issued the bond will pay interest on the debt at a pre-defined rate and will redeem the nominal value on a date agreed upon (maturity date). Bonds may be issued with particular features in relation to interest payment, repayment, and special borrowing conditions. There are also bonds on which no interest is paid (zero coupon bonds). These bonds are issued at prices discounted to their nominal value, whereby the value realised is the difference between the price purchased and the nominal value redeemable at maturity. Bonds are traded at prices that may be above or below their nominal value, reflecting their relative attractiveness in relation to prevailing interest rates. Pricing of bonds can change from day to day and also reflect the creditworthiness of the issuer, which may change if a rating agency changes its view of the issuer's financial strength. A rating down grade may make the price of the bond fall. A bond investor is subject to the risk of default of the issuer and may get back little or none of the principle amount invested in the event of bankruptcy.

Futures & Forward Contracts

Futures and forward contracts have the same function, being a contract for the purchase or sale of an asset at an agreed price on a specific date. Futures contracts are exchange traded whilst

forwards represent private contracts between two parties off exchange. Being exchange traded, futures are standardised contracts, whereby daily changes in value are settled each day (mark- to-market approach), whereas forward contracts are bespoke between the two contracting parties and settled only at maturity. Both futures and forwards entail market and credit risk, though the credit risk is greater on forward contracts, since it represents exposure to the other party, not to that of an exchange clearing house and does not benefit from daily settlement.
Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The 'gearing' or 'leverage' often obtainable in futures trading means that a small margin payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately larger movement in the value of your investment, and this can work against you as well as for you.

Leveraged Investment Products
Typically, these products provide investment in underlying assets such as shares, indices and currency, whereby the issuer of the product provides leverage by providing the investor additional capital for investment. This loan element in the investment is subject to a finance cost that is paid by the investor to the issuer. These products are offered with varying degrees of leverage and follow either a long or a short investment strategy. The nature of this investment allows the investor to realise greater returns in a rising market than would otherwise be realised by investing without leverage, though losses are also magnified in afalling market. Generally, these products incorporate a stop loss mechanism so that the investor is not liable to pay additional capital, except for the financing costs, though could lose the entire investment. Where the assets invested are in a currency different to the investor’s base currency there is also a risk of losses due to currency exchange rate movements. These products are, generally, only suitable for experienced investors who would like the opportunity to benefit from short term movements in financial markets.

Receiving credit or loans for the purchase of transfereable securities
Purchase of transferable securirtes with financial assets received from the Company is associated with higher risks due to the nature of such operations. The number of risks associated with such transactions includes market risk, exchange rate risk, settlement risk and risk of increase of interest rate associated with credit or loan.

Investment in Emerging/Third Country Markets
Emerging/Third Country markets may be regarded as countries that possess one or more of the following characteristics:

- certain degree of political instability;
- relatively unpredictable financial markets and economic growth patterns;
- financial market that is still at the development stage;
- weak economy.

When investing in emerging/third country markets, there is a greater emphasis to particular types of risk not generally encountered in more developed markets. The following is an outline of such risks.

Political Risk
A government’s political inexperience or instability in the political system of the country may increase the risk of short-term fundamental shifts in the country’s economy and politics. The consequences for an investor can include the confiscation of your assets with no compensation, the restriction of your rights of disposal over your assets, or a dramatic fall in their value.

Economic Risk
Emerging/Third Country market economies are more sensitive to changes in interest and inflation rates, which are in any case subject to greater swings than in developed countries. The focus of such economies is often relatively narrow, allowing single events to have a magnified impact.

Credit Risk
Investments in debt paper (e.g. bonds, notes) issued by emerging/third country market governments or companies tend to entail much higher levels of risk than established market debt. This can be due to inferior creditworthiness, a high level of government debt or a lack of market transparency.

Exchange Rate Risk
The currencies of emerging market countries are subject to major, unpredictable swings in value. Hedging can help limit losses resulting from currency-swings, but they can never be entirely eliminated.

Market Risk
The lack of sophistication in monitoring their financial markets can result in poor levels of market transparency, liquidity, efficiency and regulation in emerging/third country market countries.

Legal Risk
In emerging markets there tends to be less government supervision and regulation of business and industry practices. The development of a legal infrastructure may not be well developed and recognition of private ownership may not be strongly upheld in comparison to developed countries.

Settlement Risk
Emerging/Third Country markets may have an array of different clearing and settlement systems, or none at all. These are often outmoded and prone to processing errors, as well as considerable delays in settlement and delivery.