

**RISK DISCLOSURE STATEMENT FOR LEVERAGED AND INVERSE EXCHANGE TRADED FUNDS**

1. This statement is provided to me/us in accordance with the directives of the Rules of Bursa Malaysia Securities Berhad.
2. The purpose of this statement is to inform me/us that the risk of loss in purchasing leveraged and inverse Exchange Traded Funds (“L&I ETFs”) units can be substantial. I/We should assess if the purchase of L&I ETFs units is suitable for me/us in light of my/our financial position, risk tolerance and investment experience while taking into account the following risks before deciding whether to invest in L&I ETFs:
  - (i) An investor of L&I ETFs is subject to the risk of losing the full purchase price of the L&I ETFs units;
  - (ii) The investor should keep in mind that L&I ETFs are intended to track and replicate up to a multiple of performance of an index or a multiple of the inverse performance of an index on a daily basis;
  - (iii) As such, L&I ETFs are more suitable for short term trading/ positioning. Holding L&I ETFs units for more than a day could result in investment returns that deviate greatly from the multiple of performance of an index or a multiple of the inverse performance of an index that the L&I ETFs are supposed to track;
  - (iv) Placing of contingent orders, such as “stop-loss” or “stop-limit” orders, will not necessarily limit my/our losses to the intended amount. Market conditions may not make it possible to execute such orders;
  - (v) The leverage obtained from a leveraged ETF can work against me/us as well as for me/us. It could lead to large losses as well as gains;
  - (vi) It is in my/our best interests to take effort to study all risks as contained in the prospectus of the L&I ETFs, including but not limited to interest rate risks, country risks, credit risks, foreign exchange risks, futures rollover risks, counterparty risks and liquidity risks; and
  - (vii) If I/we engage in purchase of L&I ETF units using margin financing or short sale of L&I ETF units, I/we may gain higher profits when the price movement conforms to expectations, or may otherwise suffer bigger losses. I/we may also face a margin call by the lender if the collateral maintenance ratio drops.
3. This brief statement cannot disclose all the risks and other aspects of purchasing L&I ETF units. I/we should carefully study the requirements pertaining to L&I ETFs and the content of the prospectus of L&I ETFs before me/us decide to purchase. If me/us are in doubt in relation to any aspect of this statement or the terms of L&I ETFs, me/us should consult CGS-CIMB Securities Sdn Bhd