

## RISK DISCLOSURE

### RISK WARNING

Forex Trading (off-exchange foreign currency trading) entails significant risks. Please, read this section very carefully, before making decision to trade.

#### High Risk Investment

Trading foreign currencies on margin carries a high level of risk and may not be suitable for all investors. The high degree of leverage can work against you as well as for you. Before deciding to trade you should carefully consider your investment objectives, level of experience, and appetite for risk. The possibility exists that you may sustain a loss of some or all of your initial deposit and therefore you should not deposit money that you cannot afford to lose. You should be aware of all the risks associated with foreign exchange trading, and seek advice from an independent financial advisor, should you have any doubts.

#### Internet Trading Risks

There are risks associated with utilizing an Internet-based deal execution trading system including, but not limited to, the failure of hardware, software, and Internet connections. Since Principal Forex Inc. does not control signal power, its reception or routing via Internet, configuration of your equipment or reliability of its connection, we cannot be responsible for communication failures, distortions or delays when trading via the Internet. Principal Forex Inc. employs back up systems and contingency plans to minimize the possibility of system failure, and trading via telephone is always available.

#### Market Risks and online Risks

The trading platform provides sophisticated order entry and tracking of orders. Trading online, no matter how convenient or efficient, does not necessarily reduce risks associated with currency trading. All quotes and trades are subject to the terms and conditions of the Client Agreement.