Julius Bär

Market Link - Risk disclosure statement

1 Purpose and content

Trading in financial instruments entails risks. The brochure “Risk Involved in Trading Financial Instruments” (“Risk Brochure”), as amended, comprehensively addresses such risks and is accessible via the following QR code:

The Risk Brochure is also available at the following link: www.juliusbaer.com/fidleg.

This risk disclosure statement (hereinafter the “Risk Disclosure Statement”) contains a description of certain risks associated with leveraged products and products traded on margin. It does not disclose or explain all risks or other significant aspects of leveraged products and products traded on margin. This document is not intended to constitute legal or other advice and should not be relied upon as such. You should seek comprehensive professional advice, including tax consequences, from independent third parties on any of the matters set forth herein before taking (any) investment decisions.

2 General risks associated with leveraged products and products traded on margin

All financial instruments are subject to market fluctuations, which can result in significant losses. Market conditions, economic events, and other factors can cause prices to change rapidly, making it difficult to predict future performance. Additionally, the execution of your trades may be affected by slippage, which occurs when the actual fill price differs from the expected price due to liquidity issues, volatility, or other market conditions. This can result in your trades being executed at a less favourable price than expected, leading to unexpected losses. Furthermore, you may lose some or all of your investment due to adverse market movements.

3 Risk associated with trading leveraged products and products traded on margin

Certain financial instruments, such as leveraged products or those traded on margin, carry the risk of margin calls. This means that if the value of your positions falls below a certain threshold, you may be required to deposit additional funds or close out some or all of your positions. Failure to meet a margin call can result in the liquidation of your positions, potentially leading to significant losses. In extreme cases, the risk of loss is unlimited, and you could lose more than your initial investment. Financial products that offer leverage allow you to control a large position with a relatively small amount of capital. However, this also means that even small price movements can result in significant gains or losses. Leverage works by using borrowed money to amplify your potential returns. For example, if you use 10:1 leverage, a 1% move in the underlying asset could result in a 10% gain or loss on your investment. While leverage can increase potential profits, it also increases potential losses, which can exceed your initial investment. When trading financial instruments, you are exposed to the creditworthiness of the counterparty (the entity on the other side of the trade). If the counterparty defaults or becomes insolvent, you may not receive the payments or deliveries owed to you, resulting in losses.

Important legal information

The information and opinions expressed were valid at the date of writing, and may be based on numerous assumptions and, thus, subject to change without notice. This content serves for information purposes only.

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