

KENANGA INVESTMENT BANK BERHAD (15678-H)
LEVERAGED & INVERSE EXCHANGE TRADED FUNDS ('L&I ETFs')
RISK DISCLOSURE STATEMENT

This form must be completed by any Individual or Entity who wishes to participate in KIBB's ETF trading activities. Exemption is only given to Client who fulfills Bursa's conditions as stated in Bursa's Directive on Trading in Leveraged and Inverse ETF.

DESCRIPTIONS OF DISCLOSURE

1. This statement is provided to you in accordance with the directives of the Rules of Bursa Malaysia Securities Berhad ("**Rules of Bursa Securities**").
2. The purpose of this statement is to inform you that the risk of loss in purchasing leveraged and inverse Exchange Traded Funds ("**L&I ETFs**") units can be substantial. You should assess if the purchase of L&I ETFs units is suitable for you in light of your 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 your 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 you as well as for you. It could lead to large losses as well as gains;
 - vi. It is in the investor's 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 an investor engages in purchase of L&I ETF units using margin financing or short sale of L&I ETF units, he or she may gain higher profits when the price movement conforms to expectations, or may otherwise suffer bigger losses. An investor 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. You should carefully study the requirements pertaining to L&I ETFs and the content of the prospectus of L&I ETFs before you decide to purchase. If you are in doubt in relation to any aspect of this statement or the terms of L&I ETFs, you should consult your Participating Organisation, i.e. broker.

CONFIRMATION AND ACKNOWLEDGEMENT OF RECEIPT OF THIS RISK DISCLOSURE STATEMENT

I/We acknowledge that I/We have received a copy of the **L&I ETFs RISK DISCLOSURE STATEMENT** and understand its contents which have been explained to me/us. I/We hereby confirm and declare that I/we qualify with the following criteria (*note: mandatory to choose at least one*):

As Sophisticated Investor as set out under Part I of Schedules 6 and 7 of CMSA;

Category	Please tick ' <input checked="" type="checkbox"/> ' either one
Individual	<input type="checkbox"/> At least RM3 million in net assets (<i>excluding primary residence</i>) <input type="checkbox"/> Gross annual income of more than RM300,000 (in the preceding 12 months) <input type="checkbox"/> Combined gross annual income with spouse of more than RM400,000 (in the preceding 12 months)
Corporates/ Partnership	<input type="checkbox"/> Net assets of at least RM10 million
Trust Company	<input type="checkbox"/> Asset under management of at least RM10 million

- Maintained a Margin Account;
- Experienced in Exchange Traded Derivatives with at least 5 transactions, or Structured Warrants within the preceding 12 Months;
- Has utilized a performance simulator which simulates trading in L&I ETFs units and undergone an e-learning tutorial developed by the Exchange for trading in L&I ETFs units.

Name & Client Code:

Signature:

Date:

NRIC/Biz Registration/Other ID: _____



**KENANGA INVESTMENT BANK BERHAD ^(15678-H)
LEVERAGED & INVERSE EXCHANGE TRADED FUNDS ('L&I ETFs')
RISK DISCLOSURE STATEMENT**

**Customer
Name & Client
Code**

**NRIC/Passport/Other
ID/ Biz Registration
No:**

CONFIRMATION AND ACKNOWLEDGEMENT BY DEALER'S REPRESENTATIVE

Confirmation and Acknowledgement by Dealer's Representative

I confirm that based on the information obtained in connection with the declaration, including any documentation collected pursuant to the KYC/AML procedures, there is no reason to know that the self-declaration provided by the Customer is incorrect or unreliable.

Name:

Signature:

Date:

FOR BACK OFFICE USE : BY OPERATIONS / BRANCH

Acknowledgement by Operations/ Branch

I acknowledge that based on the information obtained in connection with the declaration, including any documentation collected pursuant to the KYC/AML procedures, there is no reason to know that the self-declaration provided by the Customer is incorrect or unreliable. Signature of client is sighted and matched with existing record.

Name:

Signature:

Date:

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