# IMPORTANT　NOTICE

Trading in commodity futures includes using leverage, which means you can trade a very large sized contract with a relatively small amount of initial capital. Commodity futures trading does not guarantee the principal of your deposited money in your margin trading account. Additionally, there is no guarantee of making a profit. Price fluctuations in the market provide you the potential for large profits as well as large losses. If the market moves against your open position and the mark to market unrealized loss becomes larger, you must decide whether to close the position with a loss or continue to keep the position open after depositing additional margin funds. Even if you deposit additional margin funds, there is the possibility you could incur further losses if the market moves further against your position. In some cases, the loss could exceed the initially deposited margin amount and the additional deposited margin funds.

# Risks of Commodity Futures Trading

Commodity futures trading are based on a derivative contract with a settlement date in the future. The contract is usually settled by cash based on the difference between the buying and selling prices. You can open a position by either buying a contract (i.e. when you think the price will increase) or selling a contract (i.e. when you think the price will decrease). In the case of buying a contract, you will make a profit if the market price increases but will incur a loss if the price decreases. In the case of selling a contract, you will make a profit if the market price decreases but will incur a loss if the price increases. Additionally, you can close any open position and settle the contract anytime the commodity exchange is open by offsetting your position.

Commodity futures trading is leveraged trading that allows you to control a large position in a futures contract with a low amount of initial margin. (The required margin amount ranges from 3-20% of the full contract amount). Therefore, even though the price fluctuation might be small, the actual movement in required margin is very large due to the use of leverage.

As each commodity futures contract has a set expiration date, you need to determine the expiration month for the futures contract that you wish to trade. You must close out the position before the contract expires.

If the market moves against your position, depending on the amount of the unrealized loss, you may be requested to deposit additional margin funds to keep the position open and the loss may exceed the initially deposited margin amount, and it is possible to exceed the amount of the additionally deposited margin amount as well.

# Notes of caution before trading

When starting Commodity futures trading, please read the following warnings well.

＊ Trading is carried out based upon the customer's intent and judgment. The results of transactions belong to the customer, who must take responsibility for them. Sales representatives may provide the customer with information or advice or consultations regarding markets, price movements or buy and sell recommendations, but please make final decisions on transactions under your own responsibility and judgment.

＊ It is prohibited by law for trading firms to accept transaction orders without receiving indications regarding the matters (name of exchange, name of commodity, delivery month, buying or selling, new or on dealer's basis, number of contracts, type of order, conditions of execution), which must be indicated by the customer at the time of placing a trade order.

＊ Once a trade is placed and filled, the customer cannot cancel the order.

＊ There are cases where a transaction cannot be executed after receiving an order due to commodity market conditions.

＊ Considering the customer's knowledge and experience in derivatives trading, etc., and the state of their assets, Sunward trading inc. may limit transactions based on its judgment in order to avoid excessive transactions.

＊ “Amount of investible funds”（投資可能資金額） is the amount of funds in the permissible range of loss (including commission) that does not interfere with the customers living.
The customer must read and fully understand the purpose carefully before instituting the amount, which must be given consideration of your assets and income.