

## **Capital Market Transactions Risk Notification Form**

### **Important Declaration**

It is imperative that investors acknowledge that they stand the possibility of making profits alongside the risk of making losses as a result of capital market transactions. Hence, investors should fully comprehend the risks they could face in capital markets and take account of their financial status and limitations, before engaging in capital market transactions.

With this purpose, it is important that investors comprehend the issues referred to below at the "Capital Market Transactions Risk Notification Form", as foreseen in Article 13 of Serial No: 46 "Communiqué Related to Intermediation Activities and Financial Intermediaries" of the Capital Markets Board.

### **Caution**

Investors are advised to check before initiating any transaction whether the financial intermediary they are planning to work with has the "Authorisation Certificate" related to the capital market transactions they plan to engage in. Investors may find out about the banks and capital market financial intermediaries authorised for capital market transactions at the following web sites: [www.spk.gov.tr](http://www.spk.gov.tr) or [www.tspakb.org.tr](http://www.tspakb.org.tr).

### **Risk Notification**

It is imperative that investors fully comprehend the implications of the issues referred to below, in addition to the terms of the "Frame Contract" they should sign with the intermediary through which they will undertake capital market transactions:

1. All legislation as well as the provisions of all administrative regulations issued by the Capital Markets Board, exchanges and custody centres will be in effect for the account to be opened at the related financial intermediary and for all transactions to be carried out through this account.
2. Capital market instruments entail different risk levels. Price movements in the market could erode the value of the funds deposited at the financial intermediary, while -- depending on the type of transaction -- the resulting losses could even exceed the funds deposited.
3. Due to the leverage effect, in credit transactions and transactions such as short selling, a low amount of equity could work in favour or against the investor; i.e. the leverage effect could yield sizable returns, though conversely could also amplify the losses.
4. Investors should be aware of the fact that the information and recommendations the financial intermediary will provide regarding the transactions they will undertake in capital markets might be deficient and in need of further verification.
5. Investors should be aware of the fact that the technical and fundamental analyses performed by the authorised employees of the financial intermediary on buying and selling of capital market instruments reflect their subjective judgements and that their expectations may not necessarily come to fruition.
6. Regarding FX-denominated transactions, investors should recognise the fact that they assume the exchange rate risk in addition to the risk factors cited above; that they could face TRY-based losses due to exchange rate volatility; that countries could impose foreign capital and FX movement limits; that additional and/or new taxes could be levied; that buying-selling transactions may not be executed on time.

7. Before initiating any transaction, investors are advised to confirm with their financial intermediary all the commissions and transaction fees they will be liable to pay. If the monetary values of the fees have not been specified, investors should request a written explanation including illustrative examples as to how the charged fees will reflect on their accounts.

**The capital market transactions risk notification form presented herein is intended to inform the investor in general of the prevailing risks, though it may not be inclusive of all potential risks associated with the purchase/sale of capital market instruments and implementation. Investors are therefore advised to make a thorough evaluation before channelling their savings to such investments.**