

## Trade Responsibly - Understanding the risks involved

Contracts for Difference (CFDs) are derivative instruments that allow traders to speculate on the changing values of an asset without taking ownership of that asset. Due to their complexity, trading CFDs carries a high level of risk, particularly for first-time traders or investors who are not well-educated about the markets.

Learning about the markets and understanding the risks involved does not entirely eliminate the risks inherent in CFD trading, but it may help you make more informed decisions, manage your invested funds more effectively and employ adequate risk management. If you are new to trading, visit our Getting Started page and register for a demo account to learn the basics. Demo accounts are free and unlimited, and are designed to help you practice trading or test your strategies in a risk-free environment.

## How to use leverage to your advantage

Trading with the use of leverage enables traders to control positions that exceed the value of their initial investment. If, for example, you deposited \$1,000 into your account, trading with a 1:200 leverage would allow you to control a \$200,000 position, which would maximise your profits, were the market move in your favour.

If, however, the market moved in an unfavourable direction, leverage would increase your losses. To familiarise yourself with trading with the use of leverage, you may open a free demo account and see what leverage best suits your strategy.

**Risk Warning:** CFDs are leveraged products and can result in the loss of all invested capital. Please consider our 'Risk Disclosure Notice'.

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**TigerWit Financial Services Limited** is authorised and regulated by the Securities Commission of The Bahamas (registration SIA-F185).

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