RISK DISCLOSURE: warrants

1. A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security could result in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile.
2. The right to subscribe for any of the investment products, which a warrant confers, is invariably limited in time, with the consequence that if you fail to exercise this right within the pre-determined timescale, the investment becomes worthless.
3. If subscription rights are exercised, you as the warrant holder may be required to pay to the issuer additional sums (which may be at or near the value of the underlying assets). Exercise of the warrant will give you all the rights and risks of ownership of the underlying investments.
4. A warrant is potentially subject to all of the generic risk types. You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.
5. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities that is exercisable against someone other than the original issuer of the securities, often called a covered warrant).