RISK DISCLOSURE: stabilisation

1. You may enter transactions in newly issued securities in respect of which we or any of our affiliated persons is the stabilisation manager and the price of which may have been influenced by measures taken to stabilise it.

2. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. Some regulators allow stabilisation in order to help counter the fact that when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found. As long as the stabilisation manager follows applicable regulations, it is entitled to buy back the securities that were previously sold to investors or allotted to institutions, which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

3. The stabilisation rules:

(a) limit the period when a stabilisation manager may stabilise a new issue;

(b) fix the price at which the issue may be stabilised (in the case of shares and share options, but not bonds); and

(c) require disclosure of the fact that a stabilisation manager may be stabilising but not that it is actually doing so.

4. The fact that a new issue is or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.