



WINCHESTER

COIN & METALS

WINCHESTER COIN & METALS RISK FACTORS AND DISCLOSURE STATEMENT

THE FOREGOING explanation of risk factors and disclosures is an express part of the Account Agreement and is incorporated as a material part of all sections therein.

The ownership of physical precious metals can be made through various vehicles. The following represents some, but not all, areas of risk and costs that are inherent with various methods of ownership of physical precious metals. Customers are strongly encouraged to seek further information from other reliable sources about physical precious metals, markets that trade precious metals, and the increased risks of financing ownership of physical precious metals.

Cash Transactions

Customer acknowledges that each transaction is a spot metals transaction and not a futures contract. Transactions subject to this Agreement are cash transactions. Such transactions are not subject to regulation by the Commodity Futures Trading Commission or the National Futures Association.

Intent of Delivery WINCHESTER COIN & METALS is entering into this relationship with you with the express intent of making delivery, and Customer hereby acknowledges an intent to take delivery of all metals purchased.

Market Fluctuations and Risk of Loss

Because of the volatile nature of the physical precious metals markets, the purchase and sale of physical precious metals involve a high degree of risk and are not suitable for all persons.

The price of precious metals changes daily and there are absolutely no guarantees that the purchase price will increase following purchase. Upon entering the market, the risk of loss is the Customer's. Only those individuals who are capable of sustaining the financial loss from the purchase of a potentially depreciating asset should consider purchasing precious metals.

Stagnation

Investment dollars put into physical precious metals may be converted back to cash by a subsequent sale of purchased metals. WINCHESTER COIN & METALS may, in its sole discretion, purchase quantities in precious metal, but reserves the right to refuse all or part of any transaction. WINCHESTER COIN & METALS provides no promise or guarantee that it, or any other metals merchant or wholesaler, will purchase metals from Customer, or that the market for such metals will not fail.

Fees and Costs

In order for a precious metals purchase to become profitable, the value of the metals must increase sufficiently enough to exceed the total cost paid for the metals. The total costs may include brokers' fees and/or commissions, delivery costs, storage costs, and interest on leveraged purchases. This is commonly referred to as "the break-even price."

Delivery Charges

Physical precious metals can either be delivered directly to the client's designated point of delivery or to a recognized depository which provides insured non-segregated storage. Most home deliveries take place via drop shipment from recognized depositories via registered insured mail and are subject to handling fees, postage, and insurance.

Financing WINCHESTER COIN & METALS may provide financing services which allow clients to borrow up to 80% of the value of precious metals products, provided that **WINCHESTER COIN & METALS** may, in its sole discretion increase or decrease the amount of leverage. Interest rates and various fees will vary from one institution to another. All clients that wish to make use of financing through **WINCHESTER COIN & METALS** must understand the following: 1) The use of financing substantially increases your risk of loss. 2) Should the value of the product decline, **WINCHESTER COIN & METALS** reserves the right to demand either a principal loan reduction or the provision of additional acceptable collateral. 3) **WINCHESTER COIN & METALS** also may reserve the right to liquidate all, or part, of the product acting as collateral for the loan without any prior notice to the client. 4) The ongoing cost of borrowing (interest charges and fees) will increase "the break-even price" of the product purchased or that is being used to support collateral for the loan. Therefore, precious metals purchased with the use of financing must increase in price sufficiently enough to offset the cost of borrowing before an actual profit can be generated by selling the product. 5) There are no guarantees that clients will be able to resell their precious metals in whole or in part, or for an amount equal to, or greater than, the unpaid balance, including unpaid interest charges, due to **WINCHESTER COIN & METALS**. Customer will be responsible for any and all deficiencies. 6) It is possible to lose more than the amount of the purchaser's initial investment when financing is used.

Liquidity

Precious metal owners should note that on any given day, market trading in categories of precious metals may be restricted, suspended or halted entirely for any number of reasons. When such situations occur, it may be difficult or impossible to sell physical precious metals or to know when the exchange market will resume activity. Additionally, precious metals purchased from or through the firm when sold to any third party, may be required by that third party to subject the precious metals to inspection and assay at the owner's expense.

Taxes

As tax laws are constantly changing, we suggest that you consult your tax advisor as to how current tax laws may affect the outcome of contemplated purchases or sales before entering into any agreement to purchase precious metals.

Brokers

WINCHESTER COIN & METALS assumes no responsibility to the customer for recommendations of the purchase or sale of precious metals made by any broker, nor does **WINCHESTER COIN & METALS** in any way vouch for any broker, that broker's experience, or regulatory background. Customer alone is responsible for researching the background of any broker with whom Customer establishes a relationship.

ACKNOWLEDGEMENT

I have read and understand the foregoing risk factors and disclosures related to investing in precious metals investments.

Print Name

Signature

Date