



Risk Disclosure Addendum

31 JAN 2019

BCR is the trading name of Bacera Co Pty Ltd, Australian Company Number 130 877 137, Australian Financial Services Licence Number 328794. BCR recommends that prospective clients read our Product Disclosure Statement and the Financial Services Guide, as well as seek independent professional advice, before making any decision concerning BCR's products. Please note that if BCR's financial services are being provided from a location outside of Australia, BCR's AFSL and Australian regulation only applies to the financial services provided to Australian residents only. Due to regulatory restrictions BCR does not accept applications from US citizens.

Prior to applying for an Account, the Client should consider carefully whether trading in derivative Contracts-for-Difference is suitable for him in the light of his circumstances and financial resources. Trading in derivative Contracts-for-Difference entails the use of leverage. In considering whether to engage in this form of trading, the Client should be aware of the following:

Risks associated with transactions in derivative Contracts-for-Difference

The Client should unreservedly acknowledge and accept that, regardless of any information which may be offered by the Company, the value of the Contracts-for-Difference provided by the Company may fluctuate downwards or upwards and it is even probable that the investment may become of no value.

Trading in Contracts-for-Difference and other leveraged products may involve a significant level of risk and is not suitable for all investors. Before undertaking any such transactions, you should ensure that you fully understand the risks involved and you should seek independent advice if necessary. The Client should not engage in any dealings in Contracts-for-Difference, directly or indirectly, unless you know and understand all of the risks involved.

The Client should unreservedly acknowledge and accept that he runs a great risk of incurring losses and damages as a result of the dealing in Contracts-for-Difference and accepts and declares that he is willing to undertake this risk.

The high degree of leverage is a particular feature of derivative Contracts-for-Difference. This stems from the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trade.

The Contracts-for-Difference available for trading with the Company are 'non-deliverable spot transactions' giving an opportunity to make profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. If the underlying instrument movement is in the Client's favor, the client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Clients' entire deposit but also any additional commissions and other expenses incurred.

Contracts-for-Difference are not suited to the long-term investor. If you hold a Contracts-for-Difference open over a long period of time the associated costs increase, and it may be more beneficial to buy the underlying asset instead.

Cryptocurrencies

The Cryptocurrencies market is a dynamic arena and their respective prices are often highly unpredictable and volatile. The prices of Cryptocurrency are usually not transparent and highly speculative and susceptible to market manipulation. In the worst-case scenario, the product could be rendered worthless.

It is important to make a distinction between indicative prices which are displayed on charts and dealable prices which are displayed on our Trading Platform. Indicative quotes only give an indication of where the market is. Because the Cryptocurrencies markets are decentralized, meaning it lacks a single central exchange where all transactions are conducted, each market maker may quote slightly different prices. Therefore, any prices displayed on any chart made

available by us or by a third party will only reflect “indicative” prices and not necessarily actual “dealing” prices where trades can be executed.

Cryptocurrencies are not appropriate for all investors. You should not deal in these products unless you have the necessary knowledge and expertise, you understand these products’ characteristics and your exposure to risk. You should also be satisfied that the product is suitable for you in light of your circumstances and financial position. In addition, use of our Services can never be considered a safe investment rather only an investment with a high risk of loss inherently associated with it. Furthermore, our own spread is added to online quotes which makes a trade on our websites even more volatile.

The risk of loss in trading Cryptocurrencies can be substantial. You should, therefore, carefully consider whether such trading is suitable for you in light of your circumstances and financial resources. You should be aware that You may sustain a total loss of the funds in your Account. If the market moves against your position, you may be called upon by us to provide a substantial amount of additional margin funds, on short notice, in order to maintain your position. If you do not provide the required funds within the time required by us, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your Account.

Expert Advisors

The use of Automated Trading Strategies (Expert Advisors) on the Trading Platform is high risk and may cause you significant financial loss. We have no control over the logic or code used by these systems to determine Orders to trade. We do not accept or bear any liability whatsoever in relation to the operation of the Automated Trading Strategies on the Trading Platform.

The Company reserves the right to determine that any Expert Advisor-assisted trading is illegal or irregular trading activity, and can suspend your Account for using Expert Advisors in a dishonest way to manipulate market deficiencies or misuse the Trading Platform.

Volatility of price and limitation on the available market

The Contracts-for-Difference provided by the Company are derivative securities, where their price is derived from the price of the underlying reference instruments in which the Contracts-for-Difference refer to. Derivative securities/markets can be highly volatile. The prices of derivative Contracts-for-Difference and the Underlying Reference Instruments and Indices may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company. Under certain market conditions it can be impossible to execute any type of Clients order at declared price. Therefore, Stop Loss order cannot guarantee the limit of loss.

The prices of derivative Contracts-for-Difference will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

The Company is not obligated to provide quotes for any Contracts-for-Difference at any time, and the Company does not guarantee the continuous availability of quotations or trading for any Contracts-for-Difference. The Company may in its sole discretion cease quoting Contracts-for-Difference and/or cease entering new Contracts-for-Difference transactions at any time based on lack of market data, halts or suspensions or errors or illiquidity or volatility in the market for the Underlying Product, the Company’s own risk or profit parameters, technical errors, communication problems, market or political or economic or governmental events, Acts of God or Nature, or for other reasons.

Transactions in derivative Contracts-for-Difference provided by the Company are not undertaken on a recognized

exchange, rather they are undertaken through the Company's Trading Platform and, accordingly, they may expose the Client to greater risks than regulated exchange transactions. The terms and conditions and trading rules are established solely by the counterparty which in this case is the Company. The Client is obliged to close an open position of any given Contracts-for-Difference during the opening hours of the Company's Trading Platform.

Other additional obligations

Before the Client begins to trade, he should obtain details of all commissions and other charges for which the Client will be liable and which may be found through the Company's Website and Client Agreement. If any charges are not expressed in money terms (but for example as a dealing spread), the Client should obtain a clear written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.

The value of open positions in the Contracts-for-Difference provided by the Company is subject to Swap fees. Swap fees are based on prevailing market interest rates, which may vary over time. Details of daily swap fees applied are available on the Company's Trading Platform.

The Client should take the risk that his trades in Contracts-for-Difference may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable. The Client should be responsible for any taxes and/or any other duty which may accrue in respect of his trades.

Margin requirements

Clients are required to deposit an Initial Margin Deposit with the Company in order to open a position. The Margin requirement will depend on the underlying instrument of the derivative Contracts-for-Difference, level of leverage assigned and the value of position to be established. The Company will attempt to notify the Client when the account total equity balance is at or near 110% of the Initial Margin Requirement for open positions. The Company has the discretionary right to automatically close all positions at market prices if Client's total equity balance falls below 100% of the Initial Margin Requirement for open positions. The Company guarantees that there will be no negative balance in the account when trading Contracts-for-Difference provided by the Company.

The Company reserves the right to review and/or amend its Risk Disclosure statements, at its sole discretion, whenever it deems fit or appropriate.

Our Risk Disclosure statements are not part of our Terms and Conditions of Business and are not intended to be contractually binding or impose or seek to impose any obligations on us which we would not otherwise have, but for The Corporations Act 2001.

This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in Contracts-for-Difference and was designed to explain in general terms the nature of the risks particular to dealing in the Contracts-for-Difference provided by the Company and to help the Client to take investment decisions on an informed basis. This notice should be read together with the Company's Product Disclosure Statement and Financial Services Guide.

Should you have a question about the Risk Disclosures set forth herein please direct your questions to our Compliance Department: compliance@bccorp.com.au.