



Risk Disclosure Addendum

3 May 2021

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. The information on BCR's website and other promotional materials is not directed at residents of any particular country outside of Australia and is not intended for distribution to, or use by, any person in any country or jurisdiction where such distribution or use would be contrary to local law or regulation.

Prior to applying for an Account, the Client should consider carefully whether trading in derivative Contracts-for-Difference (CFDs) is suitable for them in the light of their 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 BCR, the value of the Contracts-for-Difference provided by BCR 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 professional 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 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 BCR are 'non-deliverable spot transactions' giving an opportunity to make profit on changes in currency rates, commodity, stock market indices, share prices or other underlying instruments on which our products are derived. 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 may not be 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.

Over-the-Counter (OTC) Transactions

When trading CFDs you speculate on the anticipated price change for a particular underlying instrument. This trading does not occur on a regulated market. You will enter directly into a contract with BCRs in respect of the financial instrument or other underlying you wish to trade under a CFD.

All open positions with BCR must be closed with BCR and cannot be closed with any other party. Trading in OTC financial transactions may expose you to greater risks than trading on a regulated market because there is no market on which to close out your open positions and prices and other conditions are set by us subject to any

legal/regulatory requirements.

OTC transactions may increase the liquidity risk and introduce other significant risk factors: it may be impossible, for example, to assess the value of a position resulting from an off-market transaction or to determine the risk exposure. Also, bid prices and offer prices need not be quoted by BCR and, even where they are, BCR may find it difficult to establish a fair price particularly when the relevant exchange or market for the underlying is closed or suspended.

Prices

The prices/quotes posted on the BCR Trading Platform may not necessarily reflect the broader market. BCR will select closing prices to be used in determining margin requirements and in periodically marking to market the positions in your account and closing out such positions.

Although BCR expects that these prices will be reasonably related to those available on what is known as the interbank market or any appropriate exchange or other financial market (the Reference Market), prices BCR uses may vary from those available to banks and other participants in the Reference Market. Consequently, BCR may exercise considerable discretion in setting margin requirements and collecting margin funds.

As the products are in part related to the underlying you should ensure you are aware of the risks involved in the underlying including currency fluctuation, volatility and gapping (a sudden price shift which can be caused by many factors including but not exclusively, economic events, market announcements and periods where trading in the underlying does not take place).

Weekend Risk

Various situations, developments or events may arise over a weekend when the markets generally close for trading, that may cause the markets to open at a significantly different price from where they closed on Friday afternoon.

You will not be able to use the Trading Platform to place or change orders over the weekend and at other times when the markets are generally closed. There is a substantial risk that Stop-Loss orders left to protect open positions held over the weekend will be executed at levels significantly worse than their specified price. When doing this a client accepts this risk and that they will be liable for any resulting deficit.

Trading Suspensions

Under certain conditions it may be difficult or impossible to liquidate a position. This can occur, for example, at times of rapid price movement where the price for an underlying rises or falls during one trading session to such an extent that trading in the underlying is restricted or suspended.

Where this occurs the client accepts any associated risk and that they will be liable for any resulting deficit. The client should also be aware that under certain circumstances BCR may be required to close positions due to regulatory or exchange instructions and as such BCR is not responsible for any losses that may result.

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 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.

Foreign Markets

Foreign markets involve different risks from the client’s native markets. In some cases risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign currency will be affected by fluctuations in foreign exchange rates. Such enhanced risks include the risks of political or economic policy changes in a foreign media, which may substantially and permanently alter the conditions, terms, marketability or price of a foreign currency.

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.

BCR 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 BCR are derivative securities based on currencies, commodities, indices, shares, and other financial instruments, 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 BCR. 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.

BCR is not obligated to provide quotes for any Contracts-for-Difference at any time, and BCR does not guarantee the continuous availability of quotations or trading for any Contracts-for-Difference. BCR 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, BCR'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 BCR are not undertaken on a recognized exchange, rather they are undertaken through BCR'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 BCR. The Client is obliged to close an open position of any given Contracts-for-Difference during the opening hours of BCR's Trading Platform.

Margin requirements

Clients are required to deposit an Initial Margin Deposit with BCR 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.

BCR will attempt to notify the Client when the account total equity balance is at or near 100% of the Initial Margin Requirement for open positions. BCR has the discretionary right to liquidate individual positions until the remaining Client Total Equity is sufficient to support existing open position(s). In deciding what positions will be individually liquidated the largest losing position will be closed first during liquidation.

BCR guarantees that there will be no negative balance in the account when trading Contracts-for-Difference provided by BCR.

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

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 BCR'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 BCR 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 BCR'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. BCR 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.

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 BCR and to help the Client to take investment decisions on an informed basis. This notice should be read together with BCR's Product Disclosure Statement and Financial Services Guide.