



GCMT SA PTY LTD

RISK DISCLOSURE NOTICE

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General

The Company provides you with this 'Risk Disclosure Notice' (the 'NOTICE') to help you understand the risks that might arise when trading Contract for Difference ('CFD's). However, you need to bear in mind that the Notice does not contain all the risks associated with trading. The client should carefully read this Notice in conjunction with the 'Client Agreement', the 'Order Execution Policy' and the documentation/ information available to you through our website.

The Risk Notice sets out the particular investment risks of investing in complex financial instruments. Your execution of the Customer Account Application will be treated as your informed acknowledgment that you have carefully read and are prepared to accept the risks outlined in the Risk Notice. If there is anything you do not understand it is recommended that you seek specialist independent financial and/or legal advice regarding the suitability of complex financial instrument trading.

You need to ensure that any decision you engage in trading CFD's is made on an informed basis and considering your knowledge and experience as well as your personal circumstances (including but not limited to your financial position). In addition, you need to ensure that you understand the nature of CFD trading and the extent of all risks and aspects involved in trading these instruments.

Please note that CFD's are leveraged financial products and therefore as such, trading these instruments involves a high risk of loss as price movements are influenced by the amount of leverage the client is using. For example, if a client is using 30 times leverage a movement of 0.5% will result in a gain or loss of 15%. Nonetheless, because of the 'Negative Balance Protection' ('NBP') you may not lose more than your initial investment amount.

Trading CFD is not appropriate for all investors. Under no circumstances, you should risk more than you are prepared to lose.

For any general terms which has not been defined in the policy, please refer to the glossary within the Client Agreement.

Appropriate Assessment

When processing your 'Account Opening Form' GCMT carries out an assessment of your appropriateness to trade CFD and determines based on information you provide us with, if you have sufficient knowledge and experience to understand the risks involved in trading leveraged products. If we warn you that trading CFD may not be appropriate for you, then you should refrain from trading until you attain sufficient knowledge and experience, for example you may open a demo account prior to trading live environment and you acquaint yourself sufficiently with the relevant risks.

Nature Of CFD's

CFD's are agreements to exchange the difference in value of a particular instrument or currency between the time at which the agreement is entered into and the time at which is closed. CFD's allow the Company's clients to replicate the economic effect of trading a financial instrument without requiring actual ownership of those assets; full list of the CFD's on offer is available on our website.

CFD's are derivative products traded off-exchange (or Over the Counter ('OTC')): this means that GCMT is always the counterparty to the client trades and CFD trades entered into with the Company can only be closed with us. Your ability to open and/or close trades is dependent on the availability of our trading platform(s).

You understand that you are not entitled to the physical delivery of the underlying instrument (or reference instrument) of the CFD you are trading, and you have no rights in the underlying instrument (such as voting rights in case you are trading CFD).

CFD fluctuate in value during the; price movements of the CFD's are determined by several factors including but not limited to availability of the market information.

Prices And Cost

The prices generated by our trading platform(s) are derived from the prices of the relevant underlying instruments, which the Company obtains from third party liquidity/price providers.

The prices of CFD's that you trade with us include a mark-up; this means the spread offered by us comprise of (i) the raw spreads received from the liquidity/price provider(s) and (ii) A mark-up (where applicable)

For trading certain CFDs, the Client may be required to pay a commission and/or other fees; these instances are described in detail on our client agreement. For all type of CFDs offered by the Company, the commission (if applicable) and financing/overnight fees are not incorporated into Company's quotes prices and are instead charges explicitly to the client Account(s). in the case of financing/overnight fees, the value of the opened positions in some types of financial instruments is increased or reduced by a daily financing fee 'swap' throughout the life of the trade. The 'swap' fees are based on the prevailing market interest rates. From Thursday to Tuesday swap is charged once for every business day and on Wednesdays swap is charged in triple size, to account for the weekend; details of daily financing /overnight fees applied are available on our website.

You should not fund your account using any money obtained form a credit facility (including bank loan or otherwise). You should understand that your overall risks will scientifically be increased. For instance, if you incur a loss on your trades, you will still have to repay any amount borrowed plus interest of other costs. Therefore, you shall never finance any trades on such borrowed money, and you should never rely on being able to profit on any trade, to repay such amounts.

Market Conditions, Required Margin Level And Stop-Out Levels

Trading CFDs enables you to use leverage to open a trade by depositing a fraction of the total trade value; this means that a relatively small market movement may lead to a proportionately much larger movement of value of your trade.

During the account opening process, the default leverage is set at 1.200 you reserve the right to request a higher or lower leverage.

Financial markets may fluctuate rapidly to reflect events that are outside the control of the Company and/or your control; as a result, prices will become volatile. One form of price volatility is 'gapping', which occurs when there is a sudden shift in prices from one level to another. This can be caused, for example by and unexpected economic event or market announcement, within or outside of trading hours.

Consequently, GCMT may be unable to execute your instructions at the requested price. In addition, if prices move against you, this will have a direct and real time impact on your trades, which may be automatically stopped-out. It is possible that all your trades will be stopped-out; not just the that are loss marking.

You should note that any changes on your leverage level on an already traded account can immediately affect your open positions and may result in a stop-out.

It is your responsibility to monitor the required margin of your open positions and in order to avoid stop-out you may have to fund your account.

For further information, please refer to the 'margin and leverage' section of the 'order execution policy'.

Foreign Exchange And Other Related Risks

You will be impacted by foreign exchange movements, if you are trading in a product that is denominated in currency other than the currency of your account. Any currency conversion calculations are provided by the Company to the Client in the currency in which the client account is denominated and the currency of the relevant instrument, using the cross-spot rate.

Your capacity to trade CFDs may also be affected as a result of changes in the legal, regulatory, taxation environment and/or other.

Technical Risks

We try to generate prices continually and provide you with access to our trading platform(s) throughout the trading sessions as indicated on our website. However, there are instances where this is not possible; for example, instances of poor telecommunication/ internet connectivity, system errors and outages and/or other factors. The above may cause prices to change between the time an order was placed and the time the order has been received by the Company. In addition, these technical risks may significs impact the execution of your order(s).

No Advice

No employee or agent of GCMT, its subsidiaries or affiliates, may provide financial advice of any description. If a statement is made which could be construed as “financial advice” any such statement is intended for informational purposes only and clients cannot seek to rely on any such statement. Clients accept that no-one can know for sure in which direction the markets will go, and as such, any transferred information is for discussion purposes only.

Where we offer our clients the opportunity to use and/or benefit from third party services such as trading platforms (including but not limited to MetaTrader4, Sirix Webtrader, Sirix CopyKat, MT4 Mobile App) or Trading Signal providers and investment analysis (including but not limited to Trading Central, Flexi Analysis) in any way we deem appropriate, you accept that we carry no responsibility and no liability as to the veracity and accuracy of the content provided by the third party, nor as to the consequences of the use of the service and that the content has not been approved by us.

Past Performance

Past performance, simulation prediction of any financial instruments does not constitute an indication of future results. You should note that the value of your investment can decrease (as well as increase) as the market price of the underlying asset may fluctuate downwards (or upwards).

GCMT SOUTH AFRICA PTY LTD Trading as CMTRADING Registration No. 2013/045335/07 A juristic representative and agent of BLACKSTONE MARKETING PTY LTD Registration No. 2010/010099/07 (FSP No. 38782).

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RISK WARNING:

Trading Foreign Exchange (Forex) and Contracts for Differences (CFD's) is highly speculative, carries a high level of risk and may not be suitable for all investors. You may sustain a loss of some, or all, of your invested capital. Therefore, you should not speculate with capital that you cannot afford to lose. You should be aware of all the risks associated with trading on margin.