RISK DISCLOSURE STATEMENT

1. About us

Capital Com Australia Limited ("we", "our", "us", "CCAU") is a companyregistered in Australia and is licensed by the Australian Securities andInvestments Commission (the "ASIC") as an Australian Financial ServicesLicensee (the "AFSL") under AFSL 513393. With its registered office at Level 15, 357 Collins Street, Melbourne, 3000, Victoria.

2. General risk disclosure

Trading Over the Counter ("OTC") Contracts for Difference ("CFDs") is high risk and is not suitable for everyone. You should carefully consider our Product Disclosure Statement ("PDS") and the risks associated with CFD trading (as set out in this Risk Disclosure Statement) before applying for an account with us.

3. No advice

We are authorised to provide general financial product advice in relation to derivatives and foreign exchange contracts. **We are not authorised to provide personal advice and therefore, we will not consider your personal or financial situation, objectives or needs nor will we make any investment recommendations.** Any questions we might ask during the application process that are personal in nature are asked purely in accordance with our regulatory obligations to assess whether you have sufficient experience and knowledge of our products before acquiring them. Our products and services are provided on an execution-only basis, and you remain responsible for your own decisions. This includes seeking your own legal or tax advice.

4. Monitoring your account

Due to the risks associated with trading, it is important that you monitor all your positions closely. It is your responsibility to monitor your positions and during the period that you have any open positions you should always have uninterrupted access your account.

5. Risks associated with trading CFDs

The key risks associated with CFD trading includes but is not necessarily limited to:

a)	**Losing your entire deposit(s)**	Our products are highly leveraged and a small movement in the price of the underlying instrument can result in significant losses which may exceed your initial margin. We do however offer negative balance protection which means that trading losses cannot exceed the funds held on your account.
b)	**OTC derivatives trading**	Our products are traded 'over-the-counter'. This means that you are not dealing with a centralised exchange exposing you to higher counterparty risk. For more information on how we manage these risks, please refer to our Hedging Counterparties Policy.
c)	**Leverage**	Our trading platform allows you to trade on leveraged funds. This means that you can trade greater amounts than you deposited, i.e., invest on margin. As stated above, a small movement in the market can move the value of your investment either for you (incurring a profit) or against you (incurring a loss). Leveraged trading magnifies gains and losses.
d)	**Spreads**	The spread is the difference between the ask price (on which you buy securities) and the bid price (on which you sell securities) of a particular CFD. When opening and closing a trade, you effectively pay a spread equivalent to this difference. You will automatically make a loss once you have opened your position because of the spread. To recover the spread, the price would need to move in your favour.

e)	**Market risk**	Refers to the chance of a change occurring in market prices. Unforeseen events, including but not limited to a change in supply and demand, national or international political or economic, governmental, commercial trade policies and the prevailing psychological characteristics of the marketplace can cause prices to change quickly. It is therefore very important that you always monitor your open positions closely.
f)	**Market information**	As part of our service offering, we may share financial, and market related information obtained through third parties (such as news agencies or market analysts). If you receive this information, it is because you have agreed to receive marketing information, but you may unsubscribe from these emails at any time. **This information is prepared in general terms, does not constitute advice, nor is it intended as such.** You are solely responsible for any reliance you may place on that information. We do not guarantee that the information has been provided to you timeously, accurately or in complete form. Market information is subject to change and may become unreliable as market conditions change. We do not have to update the information, correct it, or inform you of any changes. We may also choose to stop providing market related information at our sole discretion and without notice to you.
g)	**Conflicts of interest**	We act as principal in our positions with you and set the price of the contracts as a market maker. This automatically gives rise to a conflict of interest as we may also be transacting with other persons or other market participants. In the circumstances, we do not guarantee that the price given to you is the best price.

h)	**Liquidity**	In some instances, market conditions may result in CFDs or currency pairs becoming illiquid making it difficult or impossible to liquidate a position. Losses can occur when liquidity is low.
i)	**Slippage**	Slippage occurs when an order is filled at a price that is different from the requested price. This generally happens when markets are moving quickly or become illiquid. You should be aware that this can occur and may affect your ability to close out or open new positions.
j)	**Margin call**	Your account will be monitored by an automated close out process which highlights positions entering a margin call. The close out process is designed with the aim of minimising client losses and allows us to identify positions on which your equity doesn't cover the total margin requirement. We will endeavour to take action (as deemed appropriate by us) before the market moves further against open trades. Notwithstanding, the close out process does not guarantee that your account will not run into a loss. It is your responsibility to continuously monitor your open positions on the trading platform and ensure that you retain sufficient equity to support your open positions. For more information, please refer to our PDS.
k)	**Gapping**	Financial markets may fluctuate rapidly, and the prices of our products will reflect this. Gap risk is a risk that arises because of market volatility. Gapping occurs when the prices of our CFDs and spread bets suddenly shift from one level to another, without passing through the level in between. This can occur for several reasons including for example, when economic data is released and comes as a surprise to the markets or the gap between the price of the

		market close on Friday and its re-opening on Monday. There may not always be an opportunity for you to place an order or for the platform to execute an order between the two price levels.
l)	**Stop-loss orders**	We offer you the opportunity to choose stop-loss orders to limit the potential losses you can incur from an open position. This option automatically closes your position when it reaches the price set by you. We do not guarantee that a stop loss order will be filled at the price specified. **Stop-loss orders can only minimise the risk of loss, they cannot prevent losses.**
m)	**Trading platform**	Once you enter an order on our trading platform (by clicking "Buy/Sell"), this is immediately executed and thereafter you will not be able to cancel or modify the order. This feature may be different from other trading platforms you have used in the past. You should use the demo account to become familiar with our trading platform before trading on a live account. By using our trading platform, even using the demo account, you agree to the one-click system and accept the risks related to the immediate execution feature.
n)	**System failures**	Trades are carried out exclusively on-line (via the internet). While trading on our platform, system errors might occur. You should be aware of the risks that may result from any failure, malfunction or disruption of any transmission, communication system, computer facility or trading software, whether belonging to us or to any other external party, which could mean that your order may be delayed or fail. It is also your responsibility to ensure that you have stable internet connectivity whilst trading.

o)	**Regulatory**	A change in laws or regulations made by the government or a regulatory body may increase the costs of operating a business, reduce the attractiveness of an investment and/or change the competitive landscape and as such materially alter the overall profit potential of your investment. This risk is unpredictable and may vary depending on the market for the underlying asset.
p)	**Pricing errors**	Should a price quoting error occur (including responses to relevant client requests), we cannot be held liable for any resulting errors in account balances and reserve the right to make the necessary corrections or adjustments to the relevant account. Any dispute arising from such price quoting errors will be resolved based on the fair market value, as determined by us in our sole discretion and acting in good faith, of the relevant market at the time such an error occurred. In cases where the prevailing market represents prices different from the prices we have posted on our platform, we will attempt, on a reasonable best-efforts basis, to execute orders on or close to the prevailing market prices. This may or may not adversely affect your realised and unrealised gains and losses.
q)	**Profits are not guaranteed**	Past performance is not an indication of future performance and profits are not and cannot be guaranteed.