



CHARTER PRIME

CHARTERPRIME PTY LTD

RISK DISCLOSURE STATEMENT

This notice is provided to you (the "Client") because you are considering dealing with Charterprime Pty Ltd (hereinafter "the Company" or "Charterprime") in Foreign Exchange (FX) Contracts and Contracts For Difference (CFDs), either on a margin basis or otherwise.

This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in these products and is designed to explain in general terms the nature of the risks particular to dealing in these products and to help you make investment decisions on an informed basis.

Prior to applying for an account you should consider carefully whether trading in these products is suitable for you in light of your circumstances and financial situation. Margin FX and CFDs involve different levels of exposure to risk and, in deciding whether to trade in such instruments, you should be aware of the following points:

- Trading in Margin FX or CFDs carries a high degree of risk. Margin FX or CFD trading can carry greater risks than conventional share trading.
- A relatively small market movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you.
- Margin FX and CFDs are contingent liability transactions which are margined and require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately, and they may only be settled in cash.
- You may sustain a total loss of the margin that you deposit with us to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice. If you fail to do so within the required time, your position may be liquidated at a loss and you will be liable for any resulting deficit. You will be deemed to have received a notice requiring the payment of such funds, even if you are not at home or do not receive the messages we leave for you, if the notices are delivered to your nominated contact points or via the trading platform.
- Even if a product is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered into the contract unless you are an Australian retail client regulatorily protected from negative balances.
- Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that trading in the underlying market is suspended or restricted.
- Placing a Stop Order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an Order if the underlying market moves straight through the stipulated price.
- We will not provide you with personal financial product advice relating to Margin FX or CFDs and we will not make margin FX or CFD recommendations of any kind. The only advice we will give you will be as to how the products and trading system work.
- There is no clearing house for Margin FX or CFDs, and the performance of a Margin FX contract or CFD by Charterprime is not 'guaranteed' by an exchange or clearing house.
- Our insolvency or default may lead to your positions being liquidated or closed out without your consent. As all deposits lodged with us are held in a segregated client account or accounts, in such circumstances those deposits will be dealt with in accordance with the requirement of the Corporations Act 2001.
- Although by dealing with us you will not be dealing in securities, you need to be aware that you may still be subject to the Corporations Act 2001 and, in particular, the market manipulation and insider trading provisions of the Act.
- The obligations to you under the Client Agreement and the margin FX contract or CFD are unsecured obligations, meaning that you are an unsecured creditor of ours.

- Charterprime has a comprehensive internal risk management policy and associated procedures setting out how it manages the market price and credit risks arising from its business of providing you and other clients with prices to trade its foreign exchange contracts and CFDs.
- Charterprime hedges its resulting positions both by trading with other liquidity providers in the market place and internally risk managing its own net positions within appropriate risk guidelines established under its policy as monitored, reviewed and updated from time to time in line with market circumstances and its appropriate risk capital.
- Professional liquidity providers that Charterprime trades with include those regulated by the Australian Securities and Investments Commission. Charterprime may, from time to time, utilise the hedging and liquidity services of related entities or other third party counterparties and, has put in place a process for assessing our hedging counterparties to ensure they are of sufficient financial standing, are appropriately licensed where required, and have adequate risk management systems in place. Charterprime also acts as a liquidity provider for other clients.