

Plus500AU Pty Ltd



Plus500

World's Trading Machine

Risk Disclosure Notice



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Trading in margin contracts (including CFDs) involves the potential for profit as well as the risk of loss of your initial investment and is not suitable for all investors.

Movements in the price of the margin contract's underlying asset (e.g. shares, indices, ETFs, foreign exchange rates or commodity prices) are influenced by a variety of unpredictable factors of global origin.

Violent movements in the price of the underlying asset may occur in the market as a result of which you may be unable to settle adverse trades. You do not own, or have any rights to underlying assets (e.g. the right to receive dividend payments).

1. This Risk Disclosure Notice forms part of the Client Agreements as defined in the User Agreement

- 1.1. You are considering dealing using the Plus500AU ("we", "our", "us") trading platform in Contracts for Difference ('CFDs'). CFDs are high risk investments, which are not suitable for many investors.
- 1.2. This notice provides you with information about the risks associated with CFDs, but it cannot explain all of the risks nor how such risks relate to your personal circumstances. If you are in doubt you should seek professional advice.
- 1.3. It is important that you fully understand the risks involved before deciding to enter into a trading relationship with us. If you choose to enter into a trading relationship with us, it is important that you remain aware of the risks involved, that you have adequate financial resources to bear such risks and that you monitor your positions carefully.

2. MAGNIFIED LOSSES

- 2.1. The nature of margin trading markets means that both profits and losses can be magnified and, unless you place a Close at Loss or a Limit Order, you could incur very large losses if your position moves against you. However you cannot lose more than the balance on your Trading Account.

3. CFDS ARE NOT SUITED FOR LONG TERM INVESTMENT

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



- 7.4. You should also be aware that under our User Agreement we are entitled, at our sole discretion, to make a Margin Call. Under the User Agreement, you are required to satisfy any Margin Calls immediately, by wire transfer in the time prescribed by us. If you do not do this, we will be entitled to close one, or more, or all of your trades.
- 7.5. Unless you have taken steps to place an absolute limit on your losses (for example, by placing a Close at Loss or Close at Profit order on your account) it is possible for adverse market movements to result in the loss of the entire balance of your Trading Account. We offer a range of risk management tools to help you to manage this risk.

8. NOT SUITABLE AS INCOME

- 8.1. The inherent concept of CFDs means they are not suitable for an investor seeking an income from his investments as the income from such investments may fluctuate in value in money terms. For an investment in an OTC product, which is not a readily realisable investment, it may be difficult to sell or realise the investment and obtain reliable information about its value or the extent of the risks to which it is exposed.

9. FLUCTUATIONS IN THE MARKET

- 9.1. It is important that you comprehend the risks associated with trading on a market as fluctuations in the price of the underlying market will have an effect on the profitability of the trade. For example: the value of investments denominated in foreign currencies may diminish or increase due to changes in the rates of exchange.
- 9.2. CFDs are therefore only suitable for those customers who fully understand the market risk and have previous trading experience. If unsure, it is advisable to seek independent advice.

10. DERIVATIVES

- 10.1. Positions opened with us are not traded on any exchange. The prices and other conditions are set by us, subject to any obligations we have to provide best execution, to act reasonably and in accordance with our user agreement and with our order execution policy. Each CFD trade that you open through our Trading Platform results in you entering into a contract with us; these contracts can only be closed with us and are not transferrable to any other person. There is no clearing house for CFD's. Plus500AU products are not guaranteed by an exchange.



11. NEED TO MONITOR POSITIONS

- 11.1. Because of the effect of gearing and therefore the speed at which profits or losses can be incurred it is important that you monitor your positions closely. It is your responsibility to monitor your trades.

12. OPERATIONAL RISKS

- 12.1. Operational risks with Plus500AU on your computer are inherent in every CFD transaction. For example, disruptions in Plus500AU's operational processes such as communications, computers, computer or mobile networks or external events may lead to delays in the execution and settlement of a transaction. Plus500AU does not accept or bear any liability whatsoever in relation to the operational processes of Plus500AU, except to the extent that it is caused by the fraud, negligence or dishonesty by Plus500AU.

13. CURRENCY RISK

- 13.1. Customers should be aware that CFD's denominated in a currency other than their home currency have the additional risk associated with currency fluctuations.



Plus500AU Pty Ltd, ACN 153 301 681, is the issuer of the financial products described in this communication. Any advice provided is general in nature only and it doesn't consider your objectives, financial situation or needs. Download a PDS from our website for more information. You should consider it before making a decision to acquire or continue to hold our products. Plus500AU's AFSL (#417727) authorises us to provide our services to people in Australia. New Zealand Derivatives Issuer Licence FSP486026 authorises us to provide our services to people in New Zealand.



Plus500AU Pty. Ltd. ■ P.O. Box H339, Australia Square ■ Sydney NSW 1215, Australia