Bernstein Bank GmbH

Information Packet

for CFD- (Contracts for Difference) and FOREX Transactions

("Information Packet")

Version: 06 June 2017

Content

Company Information 2
Conflict of Interest Policy 7
Best Execution Policy 11
Consumer Information for Distance and Off-Premises Contracts 13
Withdrawal Right for Distance and Off-Premises Contracts 18
General Information and Risk Disclosure for CFD and FOREX Transactions 19

Bernstein Bank GmbH

General Information regarding the Company

and its Financial Services

("Company Information")

Below you will find important information about Bernstein Bank GmbH (hereinafter referred to as "the Company"), as well as about its financial services and prices.

Our Contact Details

Address:	Bernstein Bank GmbH Maximilianstr. 13, 80539 Munich, Germany
Telephone:	+49 (0)89 2154310-0
Fax:	+49 (0)89 2154310-99
E-mail:	info@bernstein-bank.com
Website:	www.bernstein-bank.com

The Client may communicate with the Company at any time in German or English. The Client will receive relevant documents from the Company in the German language.

The Company will generally communicate with the Client by letter and, if necessary, by fax. To the extent to which the customer has established an e-mail address for the provision of information or in connection with investment services, such information shall also be sent by e-mail by the Institute.

Financial Service Licenses

Bernstein Bank GmbH is monitored and licensed by the Federal Financial Supervisory Authority (“Bundesanstalt für Finanzdienstleistungen”) pursuant to § 32 sect. 1 KWG (Kreditwesengesetz) and the German Moneylender’s Act with regard to the following activities:

- Investment brokering (§ 1 sect. 1a sentence 2 no. 1 KWG),
- Investment advice (§ 1 sect. 1a sentence 2 no. 1a KWG),
- Investment banking (§ 1 sect. 1a sentence 2 no. 1c KWG),
- Contract brokerage (§ 1 sect. 1a sentence 2 no. 2 KWG),
- Financial portfolio management (§ 1 sect. 1a sentence 2 no. 3 KWG),
- Investment management (§ 1 sect. 1a sentence 2 no. 11 KWG).
- Own-account business (§ 32 para. 1a KWG),
- Proprietary trading (§ 1 para. 1a sentence 2 no. 4 KWG),
- Financial commission business (§ 1 para. 1 sentence 2 no. 4 KWG),

Bernstein Bank GmbH is permitted to receive or hold the Client’s financial instruments or funds. Bernstein Bank GmbH provides no fee investment advice in accordance with the German Securities Trading Act (WpHG).

Financial Market Authority

The Company is subject to supervision of the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Marie-Curie-Str. 24-28, 60439 Frankfurt am Main, Website: www.bafin.de.

Agreement Conditions

For securities transactions, there shall be an Agreement between the Client and the Company (e.g. Asset Managemet Agreement). Kindly read the following documents along with the Information Packet carefully:
- Conflict of Interest Policy
- Best Execution Policy
- Distance Selling Information including Revocation Notes for Distance Selling

Information about Financial Instruments

The Company will make as part of its financial services transactions in financial instruments (e.g. stocks, bonds, mutual funds, investment assets, derivatives, foreign exchange (FOREX), Contracts for Difference (CFDs), and others. Detailed information about these financial instruments, how they work their prospects and risks, can be found in the last part of the Information packet.

In order to understand the functioning and the risks of the asset management, including CFD and FOREX Transactions, it is of major importance to additionally read and fully understand the provided documents:
- General Information and Risk Disclosure for CFD and FOREX Transactions
- Documents of the Account-holding Institution

The relationship between risk and return

At this point we would like to describe the fundamental relationship between risk and return in regard to investments in securities and provision of investment services. Risk and return are two dimensions in interrelationship. Typically, a higher return can be achieved with investments in securities only with an increased risk. Financial instruments with strong returns are generally associated with a higher risk.

We would like to illustrate this with the following example: The issuer of a bond is a company with high credit standing. The company has a high amount of equity capital and continuously reports profits in recent years. It has a stable business model. If this company wants get money on the capital market, it just needs to offer a low interest rate. Already for this low interest rate it will find investors who invest and respectively provide the capital to the Company. The low risk is accompanied with a low return for the investor.

Conversely, a company with a thin equity position and fluctuating income should offer significantly higher interest rates to the capital market. Investors will only provide money to the company if an above-average interest rate for the risk is promised. But the higher return and the higher interest is also accompanied by an increased risk for the investor. The company may go into bankruptcy and fail to refund any interest rate payments or other returns. In this case the investor would possibly lose the invested capital fully or partially.

The time horizon plays an important role. Securities investment related objectives usually will not be achieved in a short-term period, but only over a certain time horizon, depending on the kind of investment. Please also note that costs will impact the investment and reduce the return.

Measures to Protect the Clients Financial Instruments and Funds

The Company is permitted to receive or hold the Client’s financial instruments or funds.

Compensation Fund for the Company

The Company is a member of the German Securities Trading Companies Compensation Fund (EdW). The German Securities Trading Companies Compensation Fund is a fund created by the German Deposit Guarantee and Investor Compensation Act [Einlagensicherungs- und Anlegerentschädigungsgesetz (AnlEntG)] to insure investors' claims. It has a public service mission to compensate investors in accordance with the aforesaid law and to protect the liabilities from securities transactions up to 90% of their value, but no more than € 20,000.00 per creditor. The cap refers to the investor's total claim relative to the securities trading company and is therefore independent of the number of bank accounts or securities accounts the investor has. Liabilities from securities transactions within the meaning of the German Deposit Guarantee and Investor Compensation Act are defined as the obligations an institute has to repay the funds which are owed or belong to investors from securities transactions and which are held in connection with securities transactions for their account. Such also includes claims that the investor has to compensation for securities held in custody for the investor. The aforesaid financial instruments include securities such as shares, certificates that represent shares, bonds, convertible bonds, options, derivatives, etc. The claim to compensation is based on the amount and the scope of the liabilities arising from the securities and owed to the creditor after taking into account any set-off and withholding rights that the institute may have. When the amount of the compensation claim is calculated, it is based on the funds and the market value of the financial instruments at the time the case of compensation occurs. There shall be no claim to compensation if the funds are not in the currency of an EU member state and are not in euros. The claim to compensation also includes the interest claims accruing up to fulfilment, as long as the total amount does not exceed the aforesaid cap. Claims for damage compensation due to advisory errors shall not be covered. Investors such as banks and financial service providers, insurance companies, medium-sized and large corporations as well as public sector companies are not covered.

Omnibus Trust Account

The Client's funds are held in an omnibus trust account that bears the name of the Company. It was disclosed to the omnibus trust bank that the funds are not the Company's, but client funds held by the Company in an omnibus trust account. No Company funds are held in these accounts. Client funds and Company funds are not commingled.

Client funds are held separately in these accounts, i.e. a separate account is not held for each client, but rather funds from various clients are collected in one account and held there, and the clients' funds are solely separated on an accounting basis.

The fundamental obligation to hold omnibus trust funds from various clients separately from each other is intended to protect the omnibus trust client, since an accounting allocation of the individual funds to one client is guaranteed through the separate holding of an account for each client. In the event of insolvency, the assertion of a compensation claim is easier in the case of a separate account held by each client than it is in the case of a separation of each client based purely on accounting. Nonetheless, the Client shall issue instructions to the effect that the funds shall be held commingled with the funds of other clients (omnibus escrow account).

The Client's funds shall be used by the Company to settle margin and fulfilment requirements of the Company and market maker as well as to cover commission fees and other claims the Company has with respect to the Client. The Company shall be authorised to charge the omnibus trust account share of these claims attributable to the Client and to collect and debit the owed amount.

The Compensation Fund for the Omnibus Trust Bank

The Clients' funds in the omnibus trust account shall not be counted as part of the Company's own assets or as the omnibus trust bank's own assets. If the Company goes bankrupt, the Company's creditors may not use the omnibus trust funds to settle their claims; in this regard, such funds are protected against bankruptcy. If the omnibus trust bank goes bankrupt, the clients shall become creditors of the omnibus trust bank; and their payout claim with respect to the omnibus trust bank shall correspond to their share of the omnibus trust account. This claim to payout shall be guaranteed by law up to an amount of € 100,000.00 in Germany due to the omnibus trust bank's membership in the Deposit Guarantee Scheme of German Banks [EDB // Entschädigungseinrichtung deutscher Banken GmbH] (see www.edb-banken.de), Burgstraße 28, 10178 Berlin.

Furthermore, the omnibus trust bank in Germany has joined the Deposit Protection Fund of the Association of German Banks [Einlagensicherungsfonds des Bankenverbands deutscher Banken e.V.] (see www.bankenverband.de), Burgstraße 28, 10178 Berlin, PO Box 040307, 10062 Berlin. This fund guarantees all liabilities that are reported in the balance sheet item "Liabilities to clients"/"Funds owed to clients" [Verbindlichkeiten gegenüber Kunden]. Such includes on-demand deposits, term deposits, savings deposits, including holder-registered savings bonds. The cap on the guarantee for each creditor is 20% of the bank's liable capital applicable to the deposit protection. The Company shall disclose to the Client the respective cap on the guarantee, if requested. It can also be found online at www.bdb.de. The protection does not cover liabilities that the Company issued as bearer instruments, such as bearer bonds and bearer deposit certificates, or liabilities to banks.

If the omnibus trust bank in Germany, contrary to its duty, is not able to return the Client's securities, the Company shall be liable in the event of compensation and also have a compensation claim with respect to the Entschädigungseinrichtung deutscher Banken [Compensation Fund of German Banks]. The amount of the claim with respect to the Compensation Fund is limited to 90% of the value of these securities, and may not exceed € 20,000 per creditor.

Costs and Reimbursements

The current costs for any services provided by the Company are set forth in the respective agreements.

For asset management agreements an ongoing management fee is charged. This fee is calculated based on a percentage of the net asset value assuming a liquidation (closing) of the investment. In addition the Company will participate through a performance fee in an increase of the investment portfolio. Furthermore, the Company may calculate an initial fee in percentage in regard to the amount of investment.

For any buy and sell (closing) of futures, options, warrants, CFD and foreign exchange transactions (FOREX) an additional fee in percentage is calculated based on the investment value and trading volume.

For CFD and FOREX trades, the Client is generally charged for every purchase or sale a commission of the Account-holding Institution. The amount of the fee may vary depending on the financial instrument or the value of the Underlying Asset, and may be based on a percentage of the trading volume or on a fixed fee per trade.

Bernstein Bank may receive reimbursements of up to 100 % of the commission, if not acceptance and keeping of such benefits are prohibited by law.

For investment brokerage, investment advisory and contract brokerage (other financial services) one-time fees and recurring commissions, premiums and other benefits may accrue as profit sharing.

The institute expertise and its client services are connected with a cost-intensive staffing and organizational expenses. For maintaining and continuous development of an efficient and high-quality infrastructure, the institute receives partial sales-related payments or other financial benefits from account-holding institutions, custodian banks, issuers of financial products, investment companies or other third parties, as long as permitted by law. Furthermore, the institute may receive valuable non-cash benefits from account-holding institutions, custodian banks, investment companies or other third parties (e.g. information material, seminars, cultural or social events or minor donations of atten-tions), if not acceptance and keeping of such benefits are prohibited by law.

Up to 100 % of the cumulative remuneration amount received by the institute and the setup fee may go to third parties which have established contact with the Company or which have provided research services.

In addition, charges of the Account-holding Institution may be incurred. For further information, please refer to the pricing list of the Account-holding Institution.

The Account-holding Institution shall debit its commissions and the Company's commissions as one amount from the Client's account. Both commissions shall appear as a total in the statement of account, labeled as total commissions of the Account-holding Institution.

It is possible that additional costs and taxes may be incurred resulting from transactions in conjunction with the financial instruments and securities services which have been procured on the Client’s behalf. These expenses may not necessarily be covered by the overall fee, and may then be invoiced to the Client.

Benefits

The Company receives benefits from market makers in the case of remuneration-based execution of Client orders for CFD and FOREX transactions. The Company receives up to 0.01% of the value of the transaction (and not the lower value of the collateral/margin) per transaction in the business types or instruments. Example: If the contract has a value of € 100,000, the remuneration shall be € 8. The Company shall provide more details upon request. The Client is in agreement that the Company shall retain the aforesaid remuneration. To this end, it is agreed that the Client shall not have any compensation claims with respect to the Company under any circumstances. This contributes to the maintenance and expansion of the technical infrastructure and the diverse services and affordable execution of orders.

The Company provides remuneration to distribution partners and Tied Agents for which the Company has assumed liability. This remuneration can total up to 100% of what the Company receives as remuneration from market makers (see information above for more on this). Example: If the value of a contract is € 100,000 and the remuneration received is € 8, the Company shall pay € 4 of this amount to the distribution partner or Tied Agent. The exact amount of the remuneration shall be reported to the Client upon request. This remuneration is designed to improve the quality of the services provided for the Client (e.g. training for the trading platform, service quality, client support in the account opening process, answering of client queries and help with problems, training for any additional programmes or communication assistance in the case of speech barriers. The Client is in agreement that the Company's aforesaid remuneration shall be paid and shall belong to the distribution partner or Tied Agent.

Tied Agents

In addition to its employees, the Company may collaborate with Tied Agents contracted by the Company. These Tied Agents may provide Investment brokering (e.g. brokering asset management agreements and financial instruments), solely for the account of and subject to liability of the Company. All Tied Agents must be registered with the Bundesanstalt für Finanzdienstleistungsaufsicht's (www.bafin.de) public register for Tied Agents.

Dealing with Potential Conflicts of Interest

The detailed information on dealing with potential conflicts of interest can be found in the Conflict of Interest Policy enclosed with this document. Further details regarding this policy may be requested from the Company at any time.

Bernstein Bank

Bernstein Bank GmbH

Conflict of Interest Policy

Financial Service Companies providing a wide variety of of financial services to their Clients are not always able to avoid conflicts of interst. In accordance with the German Securities Trading Act (WpHG) the Company would like to provide the following information pertaining to the measures it has put in place to avoid possible conflicts of interest.

Conflicts of interest may arise between the Company, the management of the Company, its employees or other individuals who are associated with the Company and its Clients or amongst its Clients.

In particular conflicts of interest may arise as follows:

- Between the Company's profit orientation with reference to the sale of financial instruments and the Asset Management Services, Investment brokering, Investment Advice Services, Commission Business and Proprietary Trading
- In case of any order recommendations or placements within the scope of the Company's Asset Management Services, Investment brokering, Investment Advice Services, Commission Business and Proprietary Trading for Clients or Client groups. Conflicting interests between Clients may arise with regard to the order allocation by favoring individual Clients or Client Groups, e.g. when allocating orders by priority;
- When providing Asset Management Services and simultaneous Investment brokering or Investment Advice Services for the same financial instrument;
- In the case of proprietary trading and simultaneous commission-based transactions or asset management or investment advice service or investment brokering for identical financial instruments;
- In proprietary trading and commission-based business, if a client's order coincides with other clients' orders or the proprietary trade and may be compared;
- In the case of transactions between the Client and the Company (proprietary trading) there is a potential conflict of interests if the Company takes the opposite position of the Client and acts in the exact opposite manner on each side – profit and loss – for itself. In the case of Client orders to close transactions (commission-based transactions), there is a potential conflict of interests due to the fact that the Client can be misled to engage in extensive trading activity on account of employees' interest in commissions. In addition, there are also potential conflicts of interest in general business activity from partnerships (particularly remuneration from market makers), and the receiving or granting of benefits, for example
- From other business activities of the Company, particularly the Company's interest in proprietary trading profits and the sale of its own financial instruments;
- When receiving or granting transaction- or profit-based remunerations and benefits (e.g. placement commission, renewal commission, non-cash benefits, profit-shares, commissions, refunds from commissions, spreads, markups and others) to or from third parties relating to Financial Services for the Client; and from participation in trading profits of banks and brokers that take the opposite position to your positions;
- In the case of performance-related compensation for the Company's employees;

- When granting benefits to the and Tied Agents;
- When providing Financial Services within the scope of the Company's functions for its Clients and Client groups. Clients may be in competition with one another. The administration and management of mutual funds and concurrent Asset Management Services may also be in competition with one another;
- From relations of the Company or its Tied Agents with other institutions and issuers of financial instruments, e.g. existing credit relations, participation in public offerings, and cooperations;
- Upon preparation of financial analyses about securities offered to Clients;
- Should the Company's employees and Tied Agents pursue secondary activities (e.g. preparation of financial analyses for newsletters);
- Upon having access to insider information which is not publicly disclosed;
- From personal relations of the Company's employees or the management or people associated with them or

their involvement in the advisory board or board of directors; In order to prevent inappropriate interests influencing the Company's services, e.g. advice services, order execution, asset management or financial analysis, the Company and its employees are committed to stringent ethical standards. The Company expects its employees to act in a diligent, fair, legal and professional manner at all times and comply with market standards and, in particular, with the interest of the Client.

To avoid potential conflicts of interest from the outset, the Company has implemented the following measures including but not limited to:

- Obligation of employees to act in the best interests of the Client and to provide services to the Client without being influenced by any conflicts of interest;
- The creation of organisational procedures to safeguard Client interests, e.g. approval processes for new financial products;
- Pooling of orders to guarantee the joint order execution for all Clients;
- Complying with regulations regarding the acceptance and granting of benefits, as well as their disclosure;
- Imposing self-regulatory constraints for our services;
- The delineation of divisions and the simultaneous control of the flow of information between these divisions (the creation of areas of confidentiality);
- All employees for whom conflicts of interest may arise within the scope of their duties need to consider a Restricted List and are obligated to disclose all of their transactions in financial instruments;
- Ongoing control of all transactions carried out by the Company's employees;
- Ongoing training of the Company's employees;
- Conflicts of interest, which cannot be avoided, shall be disclosed to the Clients affected prior to completing a transaction or providing advice services.

Despite the aforementioned precautions, we would like to make reference in particular to the following:

1. In conjunction with Financial Services, the institute generally receives transaction- or profit-based remunerations (e.g. trading fees), transaction-based reimbursements, revenue-based payments (portfolio commissions or reimbursements) from issuers, the Account-holding Institution and other custodian banks, investment companies or foreign investment trusts and third-party companies acting on behalf of the aforementioned ("Befefits"). The institute receives Benefits e.g. transaction-based remunerations or reimbursements from the Account-holding Institution based on CFD and FOREX transactions. The institute grants Benefits e.g.

remunerations and reimbursements partly or wholly to their distribution partners (e.g. Tied Agents, investment advisors and other investment intermediaries). The institute is pleased to provide its Clients with further details pertaining to the receipt or the granting of Benefits e.g. transaction-based remunerations and reimbursements before the signing the agreement. On the following should be noted:

- A conflict of interest may arise from transaction- or profit-based remunerations, commissons and reimbursements e.g. from an increased spread and/or commissions for the institute or for the Tied Agents. In this case, in Asset Management and in Investment Advice it may be possible that a high number of trades may be made in order to generate maximum remunerations, commissions and reimbursements, which may result in a disproportionate portfolio turnover. Any risks stemming from these activities shall be monitored by the institute through internal supervision of Asset Management decisions in due consideration of the trading volume. The institute may also disclose and account for the scale of transaction-based remunerations and Benefits prior to closing an Asset Management Agreement with the Client. The institute expects its employees to act in a diligent, fair, legal and professional manner at all times and comply with market standards and, in particular, with the interest of the Client.

Transaction-based remunerations and reimbursements e.g. from an increased spread (difference between bid and ask price) and/or commissions have a negative effect on the risk-return profile and may decrease - especially if occurring with an increased number of trades - the probability to regain the remunerations and reimbursements and thus the possibility to generate profits. Furthermore, the transaction-based remunerations and reimbursements may create an incentive for the institute to increase trading activities detached to act on customer interest more as objectively necessary. Additional information and details can be found in the document "General Information and Risk Disclosure for CFD and FOREX Transactions". These remunerations and reimbursements - especially trading fees - may cause conflicts of interest.

- Renewal commission may be incurred during holding of investments and other financial instruments. These benefits the institute may transfer up to 100% to its distribution partners and Tied Agents.
- The institute may transfer up to 100 % of the remunerations and reimbursements e.g. transaction fees, performance fees, management fees and entry fees to its distribution partners and Tied Agents.

2. As part of the brokerage of CFD accounts with banks or brokers, the Company may receive a participatory stake in the bank's or broker's trading profits resulting from the Client's individual transactions. These may result from having the opposite position and thus from the Client's losses allowing the Company to profit as a result of this.

3. By signing the Asset Management Agreement, the Client has explicitly delegated all decisions pertaining to the purchase and sale of financial instruments to an Asset Manager. This allows the Company to make decisions regarding the purchase and sale of financial instruments without having to obtain prior consent, as agreed upon in the Investment Guidelines. This may create a conflict of interest. Any associated risks shall be reduced by adequate organizational measures, by adhering to an investment selection process that focuses on the Client's interests. The Company may also, independently from these measures, disclose and account for the scale of remunerations prior to closing the Asset Management Agreement with the Client.

4. The Company's support for various clients or client groups or the employees' own transactions may cause these parties to enter into competition with each other by having identically positioned orders or contrary orders (buy and sell) with regard to a financial instrument. The Company has issued a policy for how conflicts of interests resulting from this can be reduced, even if they cannot be avoided entirely. Particularly to the extent that the Company or its employees disclose transactions that they have closed for themselves or clients, the Company may, under certain circumstances, profit from the later orders and a change in price triggered as a result. In the case of contrary orders, the price of the security may be affected by the meeting of these orders.

   Competitive situations may also occur between investment funds handled by the Company and clients in asset management. Despite organisational precautions such as a separation of functional responsibilities (Chinese walls) and the creation of areas of confidentiality, it cannot be ruled out that transactions for a client group are in opposition to those of other clients in asset management.

5. Another conflict of interest may arise when agreeing to performance-related remuneration. The Client must understand that the Asset Manager may take disproportionately high risks in order to increase the performance and, as such, their commissions would increase. The Company's internal monitoring of investment decisions combined with fixed incentive components shall reduce these risks.

6. The Company may open the opposite position of the Client within the scope of its proprietary trading. Where the Client profits, the Company loses, and vice-versa. In proprietary trading as a market maker, the Company may minimise its risk of a change in price by requiring an appropriate surcharge on the spread, which is the mirror opposite of the increased risk of the Client as a result.

7. The Company may receive non-cash benefits from other service providers in conjunction with any securities transactions, such as financial analyses or other information material, training and technical services and equipment providing access to third-party information systems. The acceptance and receipt of these benefits may not be directly connected to services provided. The Company shall use these benefits to provide its high-quality services and to continuously improve its services.

8. Tied Agents or independent intermediaries may receive transaction-based and performance-based commissions and fixed fees from the Company. Moreover, Tied Agents may receive remunerations and reimbursements from third parties like mutual fund companies and security issuing houses in addition to the agent commissions paid by the Company.

9. The Company's financial analyses provide information about potential conflicts of interest in conformity with the law.

Further information regarding this Conflict of Interest Policy may be requested from the Company at any time.

Bernstein Bank GmbH

Best Execution Policy

A. General information

1. Scope of Application

The following principles apply to the direct execution of Client orders Bernstein Bank GmbH (hereinafter referred to as "the institute") for the purpose of buying or selling securities or other financial instruments (e.g. options) as part of the investment brokerage and contract brokerage. These principles shall also apply if the institute buys financial instruments to fulfill its obligations under the Asset Management Agreement for the account of the Client.

In commission-based financial transactions, the institute shall act in accordance with the relevant passages of the "General Terms and Conditions for CFD and FOREX Trading" and therefore solely execute transactions by closing CFD transactions and FOREX transactions with different market makers; such market makers are the execution venue for the Client's orders, meaning the orders are not executed on a regulated market (e.g. an exchange) or a multilateral trading system.

In proprietary trading, both the pricing and the business activity of the market makers, which lead to the closing of the transactions between the institute and the market makers for the account of the Client, depend on certain defined factors and factors determined by the market maker, such as the market movement and an estimate of the underlying value, unusual market situations, the market maker's hedging opportunities or the availability and speed of the market maker's trading system. The institute has no influence on these factors.

2. Objective of the Order Execution

All Client orders may be transacted using different modes of execution or different execution venues (e.g. stock exchanges or other trading platforms, domestic or foreign, floor trading or electronic trading). In the case of OTC transactions, the institute can take a position that is exactly the opposite of the Client's position in the transaction executed. This results in the closing of a direct transaction between the institute and the Client. The following paragraphs shall describe the modes of execution and possible execution venues for significant types of financial instruments, where the best execution of transactions in the interest of the Client may commonly be expected. They shall be the institute's choice for executing the Client's orders.

The institute understands that in choosing venues the best possible result of the order execution may depend primarily on the total fee, taking into consideration all execution costs. Securities are generally subject to price volatility and, as a result, price developments disadvantageous to the Client can therefore not be excluded. For this reason, the institute may primarily consider those execution venues where a complete execution of orders appears probable and possible in a timely manner. The institute shall also take additional relevant criteria into consideration (e.g. market conditions, safety and execution).

The criteria shall be weighted according to the Client's individual rating. The institute shall primarily take the total amount of fees into consideration pursuant to §33a WpHG (German Securities Trading Act). The total fees commonly contain the price for the financial instrument as well as any costs associated with the order execution. Moreover, the probability of the execution, which may have an influence on the total fees, shall also be considered as criteria.

Criteria	Weight
Price	50 %
Costs	40 %
Probability of execution	10 %

3. Priority of Instructions

The Client may issue instructions to the institute regarding their preferences for the order execution. Such instructions shall have priority over the Best Execution Policy.

Should the Client instructions refer to a foreign execution venue, the institute may commission brokers with access to the respective venue to execute orders. These brokers may execute the orders in accordance with their own Best Execution Policy and local regulations. The broker may also forward an order, which the Client requested to be executed on a specific execution venue to another execution venue due to local regulations. In such a case, the institute is obligated to execute the orders in accordance with all instructions/agreements regarding the execution venue and forwarding of the order to a broker.

Note: Should instructions be given, the institute shall not execute the order in accordance with this Best Execution Policy. The Client shall bear in full the risk of the institute not achieving the best order execution in accordance with this policy due to compliance with specific instructions from the Client. Notwithstanding all regulations pursuant to point 3 of this Best Execution Policy remain applicable, even if Client instructions are given.

4. Aggregating Orders

The institute may pool orders for multiple Clients and arrange for their execution as aggregated orders (block trades) if, in light of the order volume, securities class, market segment, current market liquidity and price sensitivity of the relevant financial instrument, this appears advisable in the Clients' best interests. An aggregated order may be disadvantageous for an individual order.

5. Individual Agreements between the Company and the Client

This Policy is not applicable to individual Agreements between the institute and the Client. It also does not apply if the Client issued the institute instructions.

B. Best Execution Policy

The institute has currently assigned the following execution venues to the following financial instruments:

Finanzinstrument	Ausführungsplatz
CFDs, currencies (FOREX) and other OTC financial instruments	OTC execution of the Client order either by the institute itself as part of a transaction closed directly between the institute and the Client or by the institute forwarding the Client order to a third party
Options, futures (exchange-traded)	Execution on an exchange where the respective financial instrument is traded
Other exchange-traded financial instruments (e.g., shares, annuities, ETFs)	Execution on an exchange where the respective financial instrument is traded

In asset management, the applicable execution policy shall be the one for the institute or broker and liquidity provider where the account or securities account is held. The execution policy there shall be announced by the institute or broker and liquidity provider where the account or securities account is held.

Bernstein Bank GmbH

Consumer Information for Distance and Off-Premises Contracts for Financial Services

("Consumer Information ")

Before entering into distance and off-premises contacts with Bernstein Bank GmbH (hereinafter referred to as "the Company"), Maximilianstr. 13, 80539 Munich, Germany, the Company shall, in accordance with the law (§ 246b § 2 sect. 1 EGBGB), provide the Client with its general information about the company, the financial services and the contract.

Contents

A. General Information about the provider
B. Information regarding the Financial Services
C. Information about the Agreement to Provide Financial Services

A. General Information

Name and Address of the institute

Bernstein Bank GmbH
Maximilianstr. 13,
80539 München, Deutschland
Telefon: +49 (0)89 2154310-0
Telefax: +49 (0)89 2154310-99
E-Mail: info@bernstein-bank.com

Name and Address of the institute, registration in the Commercial Register

Bernstein Bank GmbH - Sitz München - Registergericht Amtsgericht: München HRB 225389

Legal representatives of the Company

Bernstein Bank GmbH - Munich - filed with the commercial register at the Local Court (Amtsgericht) Munich - commercial register number: HRB 108 951
Managing Directors of Bernstein Bank GmbH: Dr. Stefan Sträußl, Heiko Seibel

Name and Address of the Tied Agents

Should the Company collaborate with Tied Agents, the Client shall find their names and address disclosed in the underlying Agreement.

The Institute's Core Business

The institute primarily provides commission-based financial transactions pursuant to § 1 para. 1 sentence 2 no. 4 KWG, proprietary trading pursuant to § 1 para. 1a sentence 2 no. 4 KWG, contract brokerage pursuant to § 1 para. 1a sentence 2 no. 2 KWG, investment advice pursuant to § 1 para. 1a sentence 2 no. 1a KWG, investment brokering pursuant to § 1 para. 1a sentence 2 no. 1 KWG, and financial portfolio management pursuant to § 1 para. 1a sentence 2 no. 3 KWG.

Regulatory Authority

Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Marie-Curie-Str. 24-28, 60439 Frankfurt (Internet: www.bafin.de).

Language of the Agreement

The determinant language of the Agreement between the Company and the Client shall be German. Should Client communication not be regulated in the Asset Managemet Agreement, the Client may communicate with the Company in German or English. The Client will receive relevant documents from the Company in the German language.

Applicable law, place of jurisdiction

All business relations including the relations to the Client prior to entering Financial Services, are subject to German Law. The Agreement shall not include a contractual jurisdiction clause.

B. Information regarding the Financial Services

Main Services

<u>CFD and FOREX transactions through the institute's electronic trading system (commission-based financial transactions and proprietary trading)</u>

Two services are offered in regard to the closing of CFD (contract-for-difference) transactions or FOREX transactions (both also referred to as a contract): the Company handles the ordered closing of a transaction with third parties for the Client's account (commission-based financial transaction) or the Company and the Client directly conclude a contract between themselves (proprietary trading). Both types of transaction with the Client are fundamentally executed via the electronic trading system placed at the disposal of the Client. In this system, the Client will see the type of transaction (commission-based financial transaction or proprietary trading transaction) that is offered for the transaction groups. For both transaction types, it is necessary to deposit funds into an escrow account that the Company holds as an omnibus escrow account (i.e., there is no separation of clients' funds from each other, but a separation of client funds and Company funds) at a deposit-taking credit institution. These funds do not bear interest. The Client's funds must be continuously sufficient relative to the current contract value, which depends on the current price of the underlying asset, and other claims related to the specific customer relationship. Should the Clients' required margin not be sufficient, a forced liquidation of the contract may occur The authoritative account for sufficient funds held by the Client is the virtual CFD or currency account reported on the electronic trading platform. The "General Terms and Conditions of Business for CFD and FOREX Trading", as amended, shall apply to the provided trading system, the order to close transactions with third parties (commission-based financial transactions) and the direct closing of transactions between the Client and the institute. A CFD transaction or a FOREX transaction is ultimately speculation on the future development of the underlying asset (shares, indices, currencies, etc.). The Client also assumes a partial advanced payment obligation that depends on the current value of the underlying asset in relation to the contract value. The Company handles such a transaction on behalf of and for the account of the Client by closing it with third parties or directly between itself and the Client. The execution of CFD or FOREX transactions is risky for the Client, with the risk limited to the deposit made by the Client. In case clients' losses incurred exceed the clients deposited capital no further additional payment obligationis is required. (see additional risks in this information package).

Contracts to Close CFD Trading Transactions and FOREX Transactions (Commission-based Financial Transactions)

A CFD contract is an open contract for difference related to the change in price of an underlying asset. It is solely focused on balancing out the difference between the price of the CFD contract as quoted by the institute at the time of opening and at the time of closing the CFD contract with funds. By using the trading system, the Client issues the Company an order to open or close a CFD contract with third parties acting as market makers; the Company will make an effort to execute this order. The Company does not provide investment advice. A legal and economic position taken by the Company and the market maker gives rise to the exact same claims between the Company and the Client. During trading hours, the market makers fundamentally provide prices that are reported by the Company to the Client in the electronic trading system. The Client may issue orders to open and close positions on the basis of these prices. To open a CFD contract, an advanced payment is necessary in the form of a deposit to the omnibus escrow account (the margin), and the Client must keep sufficient funds in the account at all times during the term of the CFD contract. The Client's funds shall be used by the Company to settle margin and fulfilment requirements of the market maker, to cover commission fees and other claims it has with respect to the Client. Since the value of a contract depends on the performance of the underlying asset, it is possible that the deposited capital will not be sufficient to reach the minimum margin requirments anymore. In such case the Bank might execute a forced liquidation. In case clients' losses incurred exceed the clients deposited capital no further additional payment obligation is required.The authoritative account for sufficient funds held by the Client in the omnibus trust account is the virtual CFD or currency account reported on the electronic trading platform. The Client is constantly informed of the value of the contract and the balance of his business activity in the electronic trading system. The Company shall endeavour, without being obligated, to notify the Client of any shortfall of the Margin-Requirements; however, the Client shall be obligated to constantly monitor his business activity and the performance of the contracts. If the Client does not deposit any more funds or if he does not do so on time, the CFD contract shall be forcibly closed, even if such entails a loss for the Client.

CFD Trading Transactions and FOREX Transactions between the Client and Securities Trading Bank (Proprietary Trading)

The information provided above on commission-based financial transactions fundamentally applies to the direct closure of a CFD transaction and FOREX transaction between the Client and the Company (proprietary trading). In proprietary trading, however, the Company itself acts as the market maker and does not forward third party prices, but rather tries itself to provide the Client with the prices for the opening and closing of contracts. In proprietary trading, the contract is closed directly between the Client and the Company.

Asset Management

The Company provides Asset Management services for its Clients, granted its own scope of decision-making powers. The Client appoints and authorizes the Company in a written Asset Management Agreement, depending on the chosen Investment Strategy, to invest the Client's Assets in financial instruments (stocks, bonds, investment funds, derivatives, futures, options, warrants, Contracts for Difference (CFDs), Foreign Exchange Transactions (FOREX) and others) and to manage these Assets. The Company shall thereby act in accordance with the Investment Guideline that is a part of the Asset Management Agreement. The Company is authorized by the signed Asset Management Agreement to make suitable, independent decisions regarding the execution of its asset management services and securities transactions on behalf of and for account of the Client. The Company shall act within the scope of its Best Execution Policy.

Investment Advice

The Company is licensed pursuant to § 1 para. 1a sentence 2 no. 1a KWG to provide investment advice as a financial service. However, the Company only provides investment advice after reaching an explicit agreement with the Client. In such cases, the Company shall give the Client personal recommendations that are related to the transactions with certain financial instruments and are based on a review of the Client's personal circumstances.

Contract Brokerage

The Company shall also handle contract brokerage (pursuant to § 1 para. 1a sentence 2 no. 2 KWG) for the execution of asset management activities on the basis of a power of attorney by buying and selling financial instruments as a representative of the Client in the name and for the account of the Client.
The Client may engage and empower the Company in a written order, depending on the selected asset strategy, to invest the funds deposited into a certain client account / securities account in financial instruments (shares, bonds, investment assets, derivatives, futures, options, option certificates, contracts for difference (CFD), currencies (FOREX transactions) and other securities). Consequently, the Company can be engaged to close securities transactions for the Client for his account.

Investment Brokering

The Company shall also provide the financial service of investment brokering (pursuant to § 1 para. 1a sentence 2 no. 1 KWG) of financial instruments for clients. In such cases, the Company shall forward the Client's declaration of intent to purchase and sell financial instruments to the contractual partner like a messenger; otherwise, the process is similar to the one with contract brokerage. A important feature is that the Company acts in the name of the Client and for his account.

Risk and Price Volatility of Financial Instruments

Trading Financial Instruments is subject to specific risks including in particular:
- Risk of price changes /risk of declining share prices
- Currency volatility risk
- Credit risk (default risk or bancrupcy risk) des Emittenten, Markts-Makers oder Instituts
- Total loss risk

The price of a financial instrument may be subject to volatility in the financial market that is beyond the control of the Company.

Leveraged trading (e.g. CFD and FOREX trading), in particular, may carry high risks for the Client due to its vulnerability to volatility. In extreme cases, this highly speculative business may result in a total loss of the capital deposited. In case clients' losses incurred exceed the clients deposited capital no further additional payment obligation is required

Please carefully read all information included in the Asset Management Agreement and this information package for a complete understanding of the functionality of these financial instruments and the risks they are subjected to.

Positive past results of trading strategies do not indicate future profits.

Detailed information regarding securities in general may be found in the brochure titled "General Information about Investments in Securities". This brochure shall be provided to the Client if required by the respective Asset Management strategy.

Absence of a Right of Withdrawal

There is no right of withdrawal for individual transactions with financial instruments where their price is subject to volatility on the financial market, which the Company cannot affect and may occur within the withdrawal period. besteht kein Widerrufsrecht. Apart from that, the Client does possess the right of withdrawal in accordance with the Cancellation Policy attached.

Prices

CFD and FOREX Transactions through the Institute's Electronic Trading System

The current prices for the services of the Company that are charged to the omnibus trust account as claims of the Company can be found in the respectively applicable "Price and Service List" and the trading platform.

The Client's costs also include the fact that his balance in the omnibus trust account does not bear interest.
In the case of proprietary trading transactions between the Client and the Company, the contract itself gives rise to direct claims between the Client and the Company and shall be debited or credited to the Client's CFD or FOREX account.

<u>Other Financial Services</u>

Income from securities is usually taxed. The same applies to profits from the buying and selling of securities.

Independently of the respectively valid tax law (German or foreign), capital gains taxes and/or other taxes may apply in the case of a payout of income or sales proceeds. They are withheld by the respective tax authorities and reduce the amount paid out to the Client as a result. If the Client has any questions, he should contact the tax authority responsible for him or his tax advisor. This applies in particular if he must pay taxes abroad.

Service Reservations

The Company does not provide tax advice, insurance services, tax optimisation, or any other services outside the Asset Management.

Minimum Term / Client's Termination Right

There are no minimum terms for contracts. In an ordinary case, the Client must terminate the contracts by giving notice of one month in text form or in writing to the Company. Termination shall be sent to the address of the Company specified under A.

Such shall not affect the right to immediate extraordinary termination for good cause (§ 314 BGB).

Period of Validity

The institute may process the Client's orders in accordance with the conditions above for up to 8 weeks after receipt of this document. Subsequently, the Agreement's conditions may change.

C. <u>Information on the Conclusion of the Financial Services</u>

<u>CFD and FOREX Transactions through the Institute's Electronic Trading System</u>

The Client shall make an offer to the Company by applying to open an account; the offer shall be binding for the Company. The Company shall accept such by sending an account number and access data by email.

<u>Other Financial Services</u>

The Client shall issue a binding offer for the Conclusion of the Asset Management Agreement or any other Financial Services by returning all relevant documents, duly completed and signed, to the Company. The Agreement shall take effect upon receipt of the documents after the Company has reviewed the Client information and identity and declared its acceptance of the Agreement.

Bernstein Bank

Bernstein Bank GmbH

Withdrawal Right for Distance and Off-Premises Contracts

for Financial Services

("Withdrawal Right")

Right of withdrawal
You may withdraw your contractual declaration within 14 days without giving any reason by an unequivocal statement. The withdrawal period starts when this information is received on a durable medium, but not before conclusion of the contract and also not before the fulfillment of our duties to inform due to article 246 § 2 sect. 1 in conjunction with article 246 § 1 sect. 1 EGBGB. To meet the withdrawal deadline, it is sufficient to send the exercise of the right of withdrawal in time, if the statement is provided on a durable medium (e.g. letter, fax, e-mail). The withdrawal has to be send to:

Bernstein Bank GmbH, Maximilianstr. 13, 80539 Munich, Germany
Phone: +49 (0)89 2154310-0, Telefax: +49 (0)89 2154310-99, E-Mail: info@bernstein-bank.com

Effects of withdrawal
In the event of effective withdrawal, the benefits mutually received shall be returned. You have to pay compensation for the services provided up to the withdrawal if you were advised before submission of your contract declaration of this legal consequence and you have expressly agreed that we should start before the end of the withdrawal period with the execution of the contractual consideration.
If there is an obligation to pay compensation, you may need to fulfill the contractual payment obligations for the time period until withdrawal yet. Your right of withdrawal expires prematurely if the contract is completely fulfilled by both parties at your explicit request before you have exercised your right of withdrawal. Obligations to reimburse payments must be fulfilled within 30 days. The period begins for you when you send your contract withdrawal, for us with their reception.

Special Reminder

If you finance this agreement with a loan and withdraw from it later, you are also no longer tied to the loan agreement, if both contracts form an economic unit. Such is to be assumed in particular if we are simultaneously your lender or if your lender in regard to the financing acted at our behest. If we have already received the loan when the withdrawal becomes effective or the product is returned, your lender shall assume in relation to you our rights and duties from the financed agreement in terms of the legal consequences of withdrawal or return. The latter shall not apply if this agreement has the purchase of financial instruments (e.g., securities, currencies or derivatives) as its subject matter. If you want to avoid being bound by contract as much as possible, you can make use of your right of withdrawal and withdraw from the loan agreement, should you also be entitled to a right to withdraw from it.

If you withdraw from this agreement, you are also no longer tied to a contract associated with such, if the associated agreement relates to a service that is provided by us or a third party on the basis of an agreement between us and the third party.

End of Right of withdrawal

Bernstein Bank

Bernstein Bank GmbH

General Information and Risk Disclosure for CFD (Contracts for Difference) and FOREX Transactions

(„General Information and Risk Disclosure“)

Contents

I. General Informations regarding CFD (Contracts for Difference) and FOREX Transactions....20

1. Terminology....20
2. CFD and FOREX Transactions are Over-the-Counter Derivatives....20
3. Term, Offsetting Possibility....21
4. Initial Margin....21
5. Leverage and Financing Costs....21
6. CFDs on Foreign Exchange and FOREX....22
7. CFDs on Stocks....22
8. CFDs on Stock Indices....23
9. CFDs on Interest Rates and Bonds....23
10. CFDs on Commodities, Energy, and Metals....23
11. Pricing, Spread....23
12. Stop Orders....24
13. Costs....25
14. Precedence of the Broker's Policies and Contract Conditions....27

II. Risk Disclosure for CFD (Contracts for Difference) and FOREX Transactions....28

1. General Risks....28
2. Market and Speculation Risk....30
2. Risks Imposed by the Costs and Pricing....35
3. Special Risks for CFDs on Stock Indices....37
4. Special Risks Involved in CFDs on Foreign Exchange and FOREX....38
5. Special Risks Involved in Automated Trading Systems....39
6. Inevitability of Risks....39

I. General Information regarding CFD (Contracts for Difference) and FOREX Transactions

1. Terminology

“Contracts for Difference” (“CFD”) are based on an underlying asset; hence the CFD value represents the value of the underlying asset. Sie stellen abgeleitete Produkte (Derivate) dar, die die Kursentwicklung eines Basiswertes nahezu 1:1 abbilden. However, a CFD refers only to an arrangement of the differences between the CFDs value at the opening of the position and the CFDs value at the closing of the position. Foreign exchange Transactions can be traded depending on the Account-holding Institution with CFDs on currencies or with direct Foreign Exchange Transactions (FOREX spot trading) or FOREX transactions. Hereafter, the terms “CFDs on currencies”, "Foreign Exchange Transactions " and “FOREX” are used synonymously. The following Assets may be used as Underlying Assets for a CFD:

- Stocks (e.g. BASF, Goole etc.)
- Indices (e.g. DAX, S&P 500, Dow Jones etc.)
- Commodities (e.g. gold, silver, oil, etc.)
- Interest rate markets (e.g. Bund Future, US-Bonds etc.)
- Foreign Exchange (e.g. EUR/USD, EUR/JPY, AUD/CAD etc.)

Note: Please be aware that certain Underlying Assets may not be available with all Account-holding Institutions.

A CFD is a contract between two parties, typically described as "buyer" and "seller", stipulating that the seller will pay the buyer the difference between the current value of an asset and its value at the end of the contract. The buyer never actually owns a share in the Underlying Asset. CFDs are bilateral arrangements whereby differences in settlement are made through cash payments, rather than the delivery of physical goods or securities. Only the price difference between the Underlying Assets' values at different points of time is paid out to the buyer upon closing of the position. When closing, the position is taken off the market and the price speculations end. No delivery of physical goods or securities takes place. The Client may participate in such a business as buyer or seller.

CFD and FOREX Transactions offer the possibility to speculate for a rise or falling in prices. A long position speculates for rising prices. A short position speculates for falling prices.

2. CFD and FOREX Transactions are Over-the-Counter Derivatives

CFD or FOREX trades are not executed on a stock exchange; they are over-the-counter trades. Each CFD or FOREX trade is an individual contract between the Client and the Account-holding Institution in their capacity as issuer. CFDs or FOREX are non-transferrable.

CFD or FOREX Transactions are not standardized. The issuer, in this case the Account-holding Institution, is the contractual partner of the Client. Account-holding Institution / Issuer specifies the tradable quote.

Should the Client agree to a CFD or FOREX transaction, the transaction shall not be made on a stock exchange; however, the Underlying Asset may be listed on an exchange. The Underlying Assets of CFDs do not necessarily have to be traded on a stock exchange and may also have indexes or foreign exchange as Underlying Asset.

3. Term, Offsetting Possibility

A CFD or FOREX Transaction may have a fixed term or may be valid for an indefinite period of time. Any CFD or FOREX Transactions offered by Account-holding Institution have an unlimited term. The Client may offset the CFD or FOREX Transaction at any time duringthe trading hours.

4. Initial Margin

The total fees are calculated upon the offsetting of the CFD or FOREX Transaction. The Client is required to deposit a collateral (Initial Margin) in order to pay for any losses that may be incurred. This Margin provides the required equity to close the contract. The remaining amount of the initial deposit upon the offsetting of the CFD or FOREX transactions shall be credited to the Client's account and thus increase their liquidity.

The equity required for CFD or FOREX transactions (Margin) is much lower than the equity required for spot transactions, which may be up to 100 % of the Underlying Asset's volume. The Margin requirements are determined by market conditions, in particular, the volatility of the Underlying Asset and the trading hours of the exchange. The requirements may vary depending on market conditions. In der Regel liegt das zum Geschäft erforderliche Eigenkapital zwischen 0,5% und 30% je Geschäft.

The Margin may be calculated as a percentage of the trading volume or may be set as a fixed amount per traded contract (see example calculations under I.13). Daily conditions can be found on the website of the Account-holding Institution.

5. Leverage and Financing Costs

The Client should understand that CFD or FOREX transactions are leveraged derivative instruments. A small price movement may result in a high return on the Margin deposited for the trade, but may also result in a substantial loss.

The leverage is the quotient of the Margin and the traded CFD volume (volume / equity).

Leverage Example:

The Margin for trading a DAX-CFD (contract value of EUR 25 per point) is EUR 1800. If the Client decides to buy a DAX position at 7.200 points in the amount of EUR 180,000 (EUR 25 x 7,200 points), the Margin is EUR 1.800 (required deposit = 1800 EUR x 1 contract). The leverage is 100 (EUR 180,000 / EUR 1.800).

This leverage may have disproportional and direct consequences for the Client's position. The Client must be aware of the risks involved in leveraged trading.

The Client must also be aware that only a minor share of the equity shall be used as Margin. Should the Client use their entire equity as Margin, minor volatility may result in a total loss of all his Assets. These losses are limited by the amount deposited into the Client’s account.   In case clients’ losses incurred exceed the clients’ deposited capital no further additional payment obligation is required

The smaller the Margin is in relation to the buying or selling price, the higher and more dangerous the leverage will be. Borrowing capital creates interest liabilities should positions be held overnight. These interests have to be compensated from the Client's equity. If the client holds a long position with a direct currency transaction or CFDs overnight, financing costs will be incurred and billed. If the overnight position is a short position, financing income will be collected for the client if applicable. The financing rate for the relevant trading currency serves as the basis for the interest rate.

6. CFDs on Foreign Exchange and FOREX

CFDs may be bought with foreign exchange positions as the underlying asset or direct spot transactions. The terms "foreign exchange", "FOREX" and "foreign exchange CFDs" shall be used synonymously. When trading in foreign exchanges, both falling and rising prices may be speculated upon. So-called FOREX pairs (e.g. EUR/USD or EURUSD) consist of the base currency, named first, and the quote currency, named second. The base currency is the currency being bought; the quote currency is the currency being sold.

Forex trading is completed on the interbanking market. Changes in the FOREX price are expressed as changes of the exchange rate. Most FOREX prices, such as EUR/USD, are quoted to four decimal places. The smallest possible quote change of a FOREX pair is the change of the last decimal place (e.g. from 1.4976 to 1.4977 or 1.4975). This difference is called "pip".

It must also be noted that FOREX speculations are subject to an additional currency risk when the Euro neither serves as base nor quote currency. Should the Client trade in the FOREX pair USD/JPY, the success shall not exclusively depend on the rate of these two currencies, but also on the movement of the Euro being the account currency. Therefore, the EUR/JPY rate must also be taken into consideration.

The standard contract size for FOREX trades is 100,000 base currency units, for mini contracts 10,000 base currency units and for micro contracts 1,000 base currency units. A standard contract (1 Lot) for the FOREX pair EUR/USD is EUR 100,000, a mini contract (0.1 Lot) is EUR 10,000 and a micro contract (0.01 Lot) is EUR 1.000. The price of the micro, mini or standard contract shall be determined by the buying or selling price.

7. CFDs on Stocks

When trading CFDs on national or international stocks (e.g. Deutsche Bank, EON, Yahoo, ENI, etc.) as Underlying Assets, both falling and rising prices may be speculated upon.

If the client purchases a CFD for a share, the client does not become the owner of the share. This means that the client also has no rights (e.g. voting rights at the AGM) and duties which may result from a direct investment in the underlying asset. No physical delivery or acquisition applies. The client merely has the right to settle the difference between the purchase and sale price.

Should CFDs be held overnight, the payment of dividends and bonuses shall be taken into account and a dividend adjustment shall be undertaken. The buyer of the CFD shall receive the dividend after expiration of the distribution period, should the position still be in the market. The seller of the CFD shall pay the dividend, should the position still be in the market. The amount of the dividend adjustment depends on the Account-holding Institution's policy.

In the event of other price-relevant capital measures (e.g. share splits, subscription rights), the account-holding institution may automatically conclude CFD positions.

8. CFDs on Indices

When trading CFDs with indices as Underlying Assets (e.g. DAX, EURO STOXX 50, S&P 500, Dow Jones etc.), both falling and rising prices may be speculated upon.

Contract sizes for CFDs on indices vary depending on the index. The contract size for the DAX is EUR 1, EUR 5, or EUR 25 per DAX point and for the S&P 500 is EUR 1, USD 50 or USD 250 per point. The Account-holding Institution may change contract details. All recent changes are available on the website of the Account-holding Institution.

9. CFDs on Interest Rates and Bonds

When trading CFDs on interest rates and bonds, both falling and rising prices in the interest rate market or bond market may be speculated upon (e.g. Bund-Future, T-Notes, T-Bonds etc.).

Contract sizes vary depending on the market they are being traded within. The Account-holding Institution may change contract details. All recent changes are available on the website of the Account-holding Institution.

10. CFDs on Commodities, Energy, and Metals

When trading CFDs on commodities, energy and metals, both falling and rising prices in the respective markets (e.g. wheat, copper, oil, gold, silver, etc.) may be speculated upon. Contract sizes vary depending on the market they are traded in. The Account-holding Institution may change contract details. All recent changes are available on the website of the Account-holding Institution.

11. Pricing, Spread

The trading platform system of the Account-holding Institution shows the current price and quote developments. In accordance with the Agreement, the Account-holding Institution shall provide the Client with pricing information reflecting current market conditions. However, the Client must understand that the prices provided by the trading platform change continuously. The Client should also be aware that there is a spread between the buying price ("bid") and the selling price ("ask").

The ask price is the price which the seller asked for their product. This is the best market price for the buying order execution. The bid price is the price that the buyer is willing to pay for the product. This is the price at which a selling order can be executed at any time.

Usually, there is a spread between the higher bid and the lower ask price, because the seller wants to make gains when selling and the buyer wants to buy at the lowest possible price. One half of the spread becomes due upon buying, the other upon selling.

Example: Spread

A CFD on the DAX shall be traded.

The assumption is that a CFD on the DAX has a spread of 2 points per contract with the Account-holding Institution*. When buying the CFD at the execution price of 7,200 points including the spread, 7,201 points (incl. half of the spread) will be charged. When selling the CFD at the execution price of 7,225 points, it will be billed at 7,224 points.*

The Client needs to understand that the spread represents a lost amount when opening a position. It needs to be earned back through a respective price development, depending on whether the position is short or long.

12. Stop Orders

A stop order is a conditional market order (buy or sell) that is triggered when the current price reaches a predefined price, the so-called stop price. It cannot be guaranteed that the stop price and the execution price coincide. The price at the execution time may differ from the price at the time when the stop price is reached (and the market order is triggered). <u>The stop price and the execution price should not be confused</u>. They shall only coincide, should there be no price changes between the time of trigger and the time of execution. In such cases, the order can be executed at a price equal to the stop price.

Example: Stop Price (Buy)

A CFD on the DAX shall be traded. The trader expects increasing prices and, as such, enters a long position.

It is assumed that a CFD on the DAX has a spread of 2 points per contract with the Account-holding Institution*. When buying the CFD at the execution price of 7,200 points (mean rate) including the spread, 7,201 points (incl. half of the spread) will be billed.*

In order to protect the CFD trade from high losses, the stop price is fixed 20 points from the execution price, i. e. at 7,180 (7,200 ./. 20 points). Should the price move contrary to the trader's expectation, i. e. the price declines, and reach a level of 7,180 points (mean rate), a sell order for the CFD shall be triggered automatically. However, there is a risk of the execution price deviating considerably from the stop price due to market conditions (news, liquidity, etc.).

The sell order may be executed at 7,175 points (mean rate) including the spread and, as a result, 7,174 points (incl. half of the spread) may be billed.

Buy execution price: 7,200 points (mean rate)

Buy billing price: 7,201 points

Sell execution price: 7,175 points (mean rate)

Sell billing price: 7,174 points

In this example, the loss amounts to 26 points, which exceeds the proposed maximum loss by 6 points.

Example: Stop Price (Sell)

A CFD on the DAX shall be traded. The trader expects declining prices and, as such, enters a short position.

It is assumed that a CFD on the DAX has a spread of 2 points per contract with the Account-holding Institution*. When buying the CFD at the execution price of 7,200 points (mean rate), including the spread, 7,199 points (incl. half of the spread) will be billed.*

In order to protect the CFD trade from high losses, the stop price is fixed 20 points from the execution, i. e. at 7,220 (7,200 + 20 points). Should the price move contrary to the trader's expectation, i. e. the price increases, and reach a level of 7,220 points (mean rate), a buy order for the CFD shall be triggered automatically to close the short position. However, there is a risk of the execution price deviating considerably from the stop price due to market conditions (news, liquidity etc.).

The buy order may be executed at 7,225 points (mean rate) including the spread, and, as a result, 7,226 points (incl. half of the spread) may be billed.

Sell execution price (opening the short position): 7,200 points (mean rate)

Sell billing price (opening the short position): 7,199 points

Buy execution price (closing the short position): 7,225 points (mean rate)

Buy billing price (closing the short position): 7,226 points

In this example, the loss amounts to 26 points, which exceeds the proposed maximum loss by 6 points.

The trailing stop is a dynamic stop price. Should the price move favorably, the stop price shall be automatically adjusted to the price movement. The adjustment shall follow predefined steps.

13. Costs

For any CFD and FOREX Transactions, there is a charge per purchase (half turn) and per sale (half turn), which shall be paid to the Account-holding Institution by the Client.

The charges (Spreads) are due for any opening and closing of a position, separately and independently.

Financing costs must also be paid for overnight positions. For FOREX trades, overnight positions incur so-called roll-costs (rollover).

Trading with CFDs for shares incurs trading commissions as well as - depending on the exchange in question - minimum fees. For dividend payments there is regularly an ex-dividend markdown for the recipient.

The institute may also receive a share of the spread, which the Account-holding Institution may claim from the Client. This renumeration may amount to a maximum of 100 % of the spread, which may be claimed by the Account-holding Institution and is calculated at the mean rate between the bid and ask prices. In such cases, the renumeration can be disregarded as costs from the Company since it is included in the costs of the Account-holding Institution.

The client may assign an asset manager. The asset management agreement must establish the resulting regular additional costs of the asset management.

Additional trading fees (mark-ups) must be agreed in the context of such asset management. On the basis of this underlying asset, this (additional) transaction fee is either calculated as a percentage of the trading value or as a fixed amount per partial minicontract (mini-lot) an halfturn and/or per partial standard contract (lot) and halfturn.

In addition, in the context of asset management there may be other costs, e.g. management and performance fees. Their actual total amounts can be found in the asset management agreement. Any premiums, management and performance fees are not considered in the sample calculations.

Example: Cost structure

It is important to note that the charge rates in the following calculations are only exemplary and for descriptive purposes. The actual charge rates depend on the trading conditions of the institute. . Kosten der Vermögensverwaltung werden in den Beispielrechnungen nicht berücksichtigt. Personal taxes, such as income tax and flat rate withholding tax, are also not included in the calculations. Potential securities transaction taxes are also omitted. Transaction fees are computed based on the billing rate and not on the mean rate.

CFD on the DAX

A trade signal to buy CFDs on the DAX (long position) is assumed. The available speculation capital is EUR 4,000. The execution price is 7,200 points (mean rate) and the billing price is 7,201 points. 5 mini contracts (value of one DAX mini contract is EUR 1 per point) are bought and the stop level is fixed at 20 points below the execution price. Once the stop level is reached, the sell order is triggered and the position is closed. Assuming that the execution price is at 7,180 points, the billing price is 7,179 points. The following costs accrue:

Margin and total loss:

A margin has to be provided. Currently, a CFD on the DAX requires a margin of EUR 35 for each mini-contract. As such, the total margin amounts to EUR 175 (EUR 35 x 5 mini-contracts). It is important to note that margin rates may vary due to market conditions.

By closing the position at the stop level, a loss of EUR 110 (EUR 36,005 - EUR 35,895) is realized.

The total loss of this transaction for the client is EUR 127.19 comprising a EUR 110 loss and total costs of EUR 17.19. Given the original speculation capital of EUR 4,000, the total loss is approximately 3.2%.

Note: A lower original speculation capital means a higher loss percentage.

Example of financing costs for CFD index and/or share transactions

Financing costs are incurred if the index position is held after 21:59:59 GMT.

The calculation formula is as follows, whereby K is the daily financing costs, N is the nominal value of the share or index position, r is the reference interest rate and d is the number of calendar days (this value is 360 for securities denominated in GBP or AUD, otherwise it is 365): K ***= (n * r) / d***

K = daily financing costs

*N = nominal value of the underlying index/share, on the basis of the final price (nominal value = price * number of CFDs * point value)*

r = reference interest rate plus 250 base points for long positions, minus 250 base points for short positions, e.g. (0.50% + 2.50%) = 3.00%

d = number of days, i.e. 365 days for indexes given in GBP or AUD, otherwise 360 days. Long (purchase) and Short (sale) positions are subject to daily financing costs.

Sample spread - currency transaction in EUR/USD

A trade signal to buy EURUSD (long position) is assumed. The available speculation capital is EUR 4,000. The execution price is 1,3976. 5 mini Lots are bought and the stop level is fixed at 30 points below the execution price. The position is closed at a billing price of 1,3946. The following costs accrue:

Spread (1 Pip = 0.0001) x volume (0.1 x5 Lots) x Pipvalue (10USD) = 5 USD

The total loss of this transaction for the Client is EUR 111,14 comprising of a EUR 107,56 loss and total costs of EUR 3,58..

Note: A lower original speculation capital means a higher loss percentage.

Sample rollover for FOREX transactions

For direct currency transactions, the maximum duration is two business days. If the currency position is held overnight, it must be rolled over to the following day. This avoids the physical delivery of the currency. Since this rollover usually takes place at 21:59:59 GMT, the positions are subject to financing costs as of that time. The positions are not closed, but rather corrected by the swap rate, meaning that a financial settlement takes place on the basis of the applicable interest rate. The relevant amounts are either credited to or debited from the client account.

The formula for the calculation of the swap costs is as follows, whereby the letter S represents the swap rate, M represents the trading volume and K represents the financial credit or debit.

*Short Position: K **= S * M***

*Long Position: K **= S * M***

The account credit and/or debit takes place in the second currency of the traded currency pair and is then converted into the currency in which the account is kept.-

If a client is 1 lot long in EURUSD (M=100.000 euro) and the swap rate is (S) is at 0.000015, then K = -1.5 USD, at an assumed exchange rate of 1.10 EURUSD the client account is debited 1.04 euro, if the account is held in EUR.

14. Precedence of the Policies and Contract Conditions of the Account-holding Institution

Please note that the details for CFD and FOREX transactions are regulated in the respective contract conditions of the Account-holding Institution. They shall take precedence. The documents on hand shall serve as general information and shall clarify the structure and execution of a CFD and FOREX transaction.

Should there be any questions, or should anything be unclear in these documents, please contact the Company.

II. Risk Disclosure for CFD (Contracts for Difference) and FOREX Transactions

When entering CFD (Contracts for Difference) and FOREX Transactons, the following risks must be considered. Without knowledge and awareness of these risks, no CFD and no FOREX transaction shall be made. CFD and FOREX transactions are not common investments, but a highly speculative form of investment subject to severe risks that may result ina total loss of the deposited capital. . In case clients' losses incurred exceed the clients' deposited capital no further additional payment obligation is required. The decision to carry out these transactions and to conclude a contract should only be taken with a complete understanding of the risks and a readiness to accept these risks.

1. General Risks

a) Severe Loss Risk

There is no financial protection from third parties for capital invested in CFD and FOREX Transactions, as it may be the case for bonds. In case of a financial loss, there is no guarantor compensating for the loss fully or partially.

The depreciation of CFD and FOREX Transactions is not the exception, in fact, it happens frequently. A total loss of the assets is possible. In case clients' losses incurred exceed the clients' deposited capital no further additional payment obligation is required CFD and FOREX Transactions are not common investments but highly speculative investments. This risk cannot be reduced or eliminated, not even by involving asset management service providers or by following trading systems provided by third parties. Assuming a trade is closed due to its stop level with a 4% loss of the original speculation capital, it would only take 25 disadvantageous trades to expend the total investment capital. With intraday trading, this may happen within a few trading days.

b) No Delivery

It is <u>not</u> possible to execute a CFD or FOREX transaction in a way such that the Underlying Asset is delivered against cash. The only possible form of settlement is the cash settlement of the difference.

c) Credit Risk of the Account-holding institution

The Client must be aware of the fact that the Account-holding Institution is the counterparty of the CFD and FOREX Transactions and, as such the contractual partner of the Client. The CFD and FOREX transactions do not entitle the Client to buy or sell the Underlying Asset on an exchange. Consequently, the Client is dependent on the creditworthiness of the Account-holding Institution. Should the Account-holding Institution not be able to meet its payment obligations, the Client may not receive profits resulting from a positive CFD and FOREX Transaction owed to him. Neither can this risk be eliminated through a one-to-one hedging transaction on the exchange executed by the Account-holding Institution. The reason being that its illiquidity may have been caused by a different business and the hedging transaction does not involve separate assets for the benefit of the Client.

d) Bankruptcy Risk

In the event of insolvency of the Account-holding Institution, the Client is, according to bankruptcy law, on a par with other creditors. The assets of the Account-holding Institution shall be liquidated and distributed among the creditors. The Client's claim may be satisfied in parts or not at all. It cannot be guaranteed that Deposit-Guarantee Institutions will accept the claim.

e) Foreign Country Problem

The Account-holding Institution / the CFD and FOREX Transactions issuer may have their place of business abroad. Contracts may be subject to foreign laws and, as such, legal actions may have to be undertaken abroad. As a result, it may be difficult and costly to enforce claims against the Account-holding Institution. It is unlikely that legally binding regulations for client protection pursuant to German exchange law can or will be enforced. A possible judgment of a German court would also have to be enforced abroad.

f) Conflicts of Interest of the Account-holding Institution / CFD Issuer

Compensation Interest

Compensation arises from every transaction. As such, the Account-holding Institution may recommend, directly or indirectly, transactions to the Client with its own interest in earning commissions (and not the Client's) in mind.

Conflict of Interest Arising from Being the Contracting Party to the Client
The Account-holding Institution is in their capacity as CFD and FOREX Transactions issuer the contracting party to the Client. A profit to the Client equals a loss to the Account-holding Institution. As such, the Account-holding Institution prefers that the Client incur losses. By its own account, the Account-holding Institution hedges its market risk, however, this cannot be verified. Even if the contracting party has hedged its risk, it may still pursue an interest in opposition to the Client's interest.

The Account-holding Institution is not subject to an obligation to contract. Since CFD and FOREX Transactions are not traded on an exchange and the Account-holding Institution is the only possible contracting party, there is a risk that an open trade may not be closed to the usual conditions or, in extreme cases, may not be closed at all.

No Guarantee for Best Execution
Should the Account-holding Institution have its place of business outside the European Economic Area, best execution regulations may not be applicable. Furthermore, prices of CFD and FOREX Transactions issued by the Account-holding Institution may not be equal to the Underlying prices on the exchange. As such, best execution may not be guaranteed.

2. Market and Speculation Risk

a) Risks of Loss
CFD and FOREX Transactions bear the risk of losing the Margin and the fees incurred. The risk of loss may also exceed these collaterals and even may result in a total loss of the deposited capital of the client. In case clients' losses incurred exceed the clients' deposited capital no further additional payment obligation is required. The deciding factor is the difference between the set stop price and the execution price. In the event of high price volatility, the stop price and execution price may be far apart. As a result, the potential loss may exceed the Margin provided Furthermore, in the event of a stop, any wins may be significantly lower or even result in a loss due to very rapid price changes.

Additional collaterals may be required, to hold on to losing position due to a shortfall in the Margin Requirements. Should the Client not provide these additional funds upon request of the Account-holding Institution, the CFD and FOREX Transaction shall immediately be subject to a forced liquidation. In case clients' losses incurred exceed the clients' deposited capital no further additional payment obligation is required.

Under no circumstances should CFD and FOREX speculations be credit-financed, as costs, such as interest or administrative fees, continue to be incurred upon the event of a total loss and must be paid from other sources. The obligations for compensation shall exceed the losses resulting from the speculation and may result in personal bankruptcy, should no other financial sources for compensation of the credit liabilities be available.

b) Increasing Risk for First Losses

Upon losing the Margin, an extraordinary high price movement in the initial price of the CFD and FOREX Transactions is necessary in order to compensate for the losses and to reach the financial starting point again. The occurrence of such positive price movements is uncertain. Any additional losses may add up until the total loss can no longer be prevented. Initial profits do not change this general principle.

c) Risk of Leverage

The Client must understand that CFD and FOREX Transactions are leveraged derivatives. Only a minor share of the contractual value has to be provided as the Margin. As such, a multiple of the Margin can be moved in transactions. The leverage involves substantial risks. In the case of CFD and FOREX Transactions on EUR/USD, a 1% Margin based on the contractual value is enough for a 1% price change contrary to the Client's expectations to result in a total loss of the Margin, transaction costs not included. The Client must understand that. The smaller the amount of the Margin in relation to the contractual value, the greater the leverage will be. A minor price change may therefore result in a total loss.

Price changes of 1% are possible within a day, especially in volatile markets. A high leverage carries the risk of short-term losses, even in the event of normal price movements.

Examples on the basis of a <u>CFD trade transaction</u>:

Paid-in and available capital in the trading account: €1,000

Required equity (margin): 1%

Price of the CFDs: €100

With a direct investment in an underlying asset, a maximum of (€1,000 / €100) = 10 units could be purchased. The maximum possible trading volume with a 1% margin requirement would be €100,000. This means that (€100,000 / €100) = 1,000 CFDs could be purchased at a price of €100.

<u>Profit trade</u>
Purchase price CFD price x number of CFDs = trading volume

€100 x 1,000 = €100,000 = trading volume.

The CFD price increases by 1% until the purchase, to €101.

€101 x 1,000 = €101,000 = trading volume

Profit: €101,000 - €100,00 = €1,000

So a 1% price increase led to the available capital doubling from €1,000 to €2,000.

<u>Loss trade</u>

Purchase price CFD price x number of CFDs = trading volume

€100 x 1,000 = €100,000 = trading volume.

The CFD price falls by 1% until the purchase, to €99.

€99 x 1,000 = €99,000 = trading volume

Loss: €100,000 - €100,00 = €1,000

So a 1% price decrease led to the available capital falling from €1,000 to €0. A total loss has occurred.

These examples show that the leverage effect creates major potential for both profits and losses. In the case of a loss, this may lead to a total loss. In case clients' losses incurred exceed the clients' deposited capital no further additional payment obligation is required. .In order to make the leverage effect clearer, in the following example the entire capital is invested in a single position.

Examples on the basis of <u>direct currency transactions and/or currency transactions with CFDs:</u>

Paid-in and available capital in the trading account: €1,000

Required equity (margin): 1%

EUR/USD rate: 1.5000

<u>*Profit trade*</u>

Purchase of 1 lot (1 Lot = 100,000)

The investor speculates on a rising euro price and goes long in EURUSD at a price of 1.5000 with 1 lot. This means that he purchases 100,000 euro in the expectation of a rising euro in relation to the US dollar. The transaction has a counter-value of 150,000 USD (100,000 x 1.5). With a 1% margin requirement, however, the client only has to provide 1,000 euro as a margin. This means that he can trade 100,000 euro with 1,000 euro security, corresponding to a leverage of 100. If the price of EURUSD rises to 1.5150, that is to say by 1 percent, then the original position now has a value of 151,500 USD (100,000 x 1.5150). The investor therefore makes a profit of 1,500 USD or 990.09 EUR (=1,500 USD/1.515). The available capital thereby increases to 1,909.90 EUR. In relation to the initial investment of 1,000 EUR, the investor has achieved a return of 90,09%.

<u>*Loss trade*</u>

Purchase of 1 lot (1 Lot = 100,000)

The investor speculates on a rising euro price and goes long in EURUSD at a price of 1.5000 with 1 lot. This means that he purchases 100,000 euro in the expectation of a rising euro in relation to the US dollar. The transaction has a counter-value of 150,000 USD (100,000 x 1.5). With a 1% margin *requirement, however, the client only has to provide 1,000 euro as a margin. This means that he can trade 100,000 euro with 1,000 euro security, corresponding to a leverage of 100. If - contrary to the client's expectations - the price of EURUSD falls to 1.4925, that is to say by 0.50 percent, then the original position now has a value of 149,250USD (100,000 x 1.4925). The investor therefore makes a loss of 750 USD or 502.51 EUR (=750 USD/1.4925). The available capital falls below the initial investment of 1,000 EUR, 497.49 EUR). In relation to the initial investment of 1,000 EUR, the investor has achieved a loss of 50.25%.*

The aforementioned leverage effect means that in unfortunate cases the amount of the loss can equal the entire paid-in margin (margin-loss risk) The account-holding institution and/or issuer will only carry out a forced liquidation in its own interest, so that losses – in the worst case the total loss – may take place on clients behalf. In case clients' losses incurred exceed the clients' deposited capital no further additional payment obligation is required

d) Risk of Hedging

Having set a stop too close to the initial price, especially in volatile markets, may lead to the offsetting of the position, even though the price continues to move within its normal volatility frame. In order to still speculate in the respective position, it would have to be bought again and is, as such, subject to new charges. The risk remains that the new position may be bought at a price less favourable to the Client. Even if this second speculation may be offset successfully, it cannot be excluded that, in light of former losses and charges to offset the initial speculation an overall loss may be incurred.

For any position held overnight, the price at opening on the following trading day (opening price) may significantly deviate from the price at closing on the previous day (closing price), the (so-called overnight gap). This is in particular due to the fact that news announced after the close of trading (company announcements, economic developments, political decisions, natural disasters etc.) or developments on exchanges with different trading hours can have a significant effect on the opening price. This overnight gap can in particular lead to stop-loss limits not providing sufficient loss limitation as the opening price may ne far below (for buy positions) and/or far above (for sell positions) the stop-loss limit.

e) Currency Risk

Due to volatility in the foreign exchange markets, additional risks may arise when speculating in foreign currencies or trading lots, or when the CFD is quoted in another currency (e.g. CFD on S&P 500). If the exchange rate between two currencies changes, this may have negative effects on a position even though the base price has not changed.

f) Price Determination and

The price shall be determined in the market, where the CFD is traded or quoted in accordance with the regulations in force. Suitable prices may not exist, in particular, in tight markets and, as a result, prices are impossible to be determined.

The liquidity risk therefore describes the risk that positions cannot be arranged a fair market price. This circumstance may therefore arise if the account-holding institution and/or the issuer is unable to protect itself sufficiently, if the traded volume on the reference markets is too small and/or if there is a general market disturbance. A limited trading volume may result in positions only being partially concluded.

Liquidity risks may arise with both OTC products as well as traded products. This risk exist in particular in illiquid markets with a high bid/ask spread or if individual transactions influence the market price in the long term.

Technical problems or system disruptions may also occur which may lead to problems in the conclusion of positions.

Currency/CFD products which are not traded continuously on a 24-hour basis may be subject to additional risks (*overnight risk*). The client may not be able to react immediately to current events outside of trading hours. This may result in high loss risks for the clients.

g) Rapid Price Jumps

Prices may change rapidly for various reasons (e.g. news releases in the market). Such rapid price jumps may occur during trading hours or outside of trading hours (over night or on the weekend, Over-Night-Gap). Should price changes occur outside of trading hours, the new opening price may vary significantly from the previous closing price, without the possibility of offsetting a position in between. As a result, price jumps may cause severe losses.

h) Spread

A higher spread, caused by the Account-holding Institution or by transaction-related remuneration, decreases the likelihood of earning back the spread and, as such, of making gains, especially in connection with higher trading activities. The spread is always an amount lost to the Client and must be earned back in addition to the speculation costs, before the financial starting point may be regained.

a) Fiscal risks

Since forward transactions are taxable, fiscal risks may also have an effect on them. Investors should therefore also consider the fiscal treatment of any transactions they carry out as well as investments in the context of asset management. For the investor the important factor is the profit after taxes, i.e. the profit once taxes have been deducted. The client is obliged to seek information about the fiscal treatment of the intended transaction and/or investments in the context of asset management.

b) Information risks

There is a possibility that the client will not possess or receive complete information relating to investment decisions at all times and for every underlying asset. Incorrect information may lead to incorrect decisions. The account-holding institutions does not provide an investment advice and merely - at the request of the client - provides certain market information from third parties, albeit without any guarantee. The client is responsible for independently obtaining sufficient market information for his investment decisions.2. Risks due to existing costs and price factors

3. Risks Imposed by the Costs and Pricing

a) Transaction Costs

In judging investments, incurring costs that negatively impact the results will always need to be earned back. The Client has to take into account any costs when making investment decisions. The charges of the Account-holding Institution or other financial institutes involved have a negative impact on the financial result.

b) Additional costs of financial services

An asset manager appointed by the client may arrange further fees in the context of the asset management agreement in addition to the aforementioned share of the transaction fees collected by the account-holding institutions from the client (reimbursement). These include *one-time fees* in the form of a percentage of the client investment or a single lump sum. Any additional *fixed fees*, e.g. in the form of so-called administration fees (management fee) which are due regularly (e.g. monthly, quarterly) and regardless of the financial success of the portfolio management. Or a *non-success-dependent share of profits* (performance fee), collected within a specified period (e.g. monthly, quarterly) on the basis of pure profits (before taxes). They may also agree a *commission* independent of trading frequency but which is not related to the economic success of the portfolio management. The listed fees may be agreed individually and/or cumulatively. They form a significant component in assessing an investment as the investor must pay all fees from his own investment amount. The higher the fees charged, the lower the chances of success of the corresponding investment. These costs of the investment therefore have a major influence on the overall financial result. Any losses incurred increase further due to the high fees charged, meaning that an overall positive result becomes increasingly unlikely or even impossible.

c) No Consideration of Private Speculant's Costs

Any costs resulting from the CFD and FOREX Transactions have a negative impact on the result. This especially applies to CFDs on stock indices because they correspond to stocks traded on exchanges.

Since the prices on the stock exchange are determined by the trading activities in the exchange, transaction costs for private speculants are not taken into account. The pricing in the markets reflects the prospects and risks only in a form that is acceptable for professional trading. Costs are not considered in this appraisement of the exchange trade. As such, any costs involved change the speculative appraisement of the professional market at the expense of the Client.

The costs may also change the general appraisement and the fundamentals of the speculation business. Namely, a higher rate increase is required to achieve a profit, than is justified by the already speculative expectations of specialist stock exchange trading. The higher the transaction costs, the smaller is the chance for profits until they fully disappear. In the case of repeat speculations, a positive price of the overall speculation is very unlikely, if not completely impossible, even if profits are generated initially.

d) Higher Risk Through Churning

Where transaction-based remunerations are concerned, potential conflicts of interest may arise between the financial services provider earning money with every transaction and the Client. As such, it is in their interest to execute as many transactions as possible. The financial service provider may be tempted to conduct as many transactions as possible to maximize the remuneration, even if this seems meaningless from the Client's point of view.

The absolute amount of the transaction costs may be too high in relation to the market utilisation or the result of frequent, economically pointless entries into and exits from transactions ("churn"). The reason for this may be one-sided advice to the Client that benefits the adviser's commission interests as he receives a share of the commissions.

Loss limitation measures may also be calculated too tightly compared to the expected variation range of the prices (stop orders). This may result in hectic market entries and exits with the result that new costs are continually being incurred and ultimately, uses up the capital invested without having incurred any substantial losses.

Please note that this conflict of interest also applies to the Company.

e) Special Risks of Daytrading

Daytrading involves short-term market participation. The participation takes place in the form of daytrades. The opened position is closed on the same day. It may be the case, if triggered by trading signals, that the exact same position is opened and closed multiple times in a single day (intraday trading).

While daytrading, unexpectedly small, short-term price changes may cause a total loss. In addition to market risks, transaction costs must be taken into account for risk calculation. These transaction costs are mainly remunerations for the Account-holding Institution and commissions of other financial services companies, i.e. the Company’s commissions, plus execution costs.

The short-term nature of this business may result in a total portfolio turnover within a day leading to a high number of trades in the Client account. Any costs incurred may be extraordinarily high. As a result, this cost burden may entail the consumption of the Client's capital through the costs incurred (commissions). This is especially the case, if the market has a low volatility, so that the gains cannot compensate the losses when offsetting the positions.

The risk of accumulating commissions exists, in particular, for short-term transactions, even without the service provider's intention to churn. A high amount of transactions is characteristic for daytrading. Favorable market conditions may only become profitable, should the price movements have compensated for the total costs. Price movements are usually limited due to the short-term nature of this strategy. As such, a precise calculation is required to determine the correct buying and selling points for overall profitable daytrading. However, there is no guarantee that the Client is always positioned on the correct side of the market.

Market risk means that the price of the Client's position may not move or develop contrary to the Client's interest and may have to be offset incurring a loss. Even in such case, a correct offsetting point has to be determined in advance. Should this not happen, the losses may use up the entire Margin within a short time period.

The loss risk consists of losing the Margin and also exists in the incurring costs. In case clients' losses incurred exceed the clients' deposited capital no further additional payment obligation is required. Stops cannot exclude this risk, as they increase the number of transactions that again contribute to the respective risks. This risk is reinforced with investments in high daily volatility values.

The transaction proceeds have to compensate for the costs and also the losses plus costs of former transactions prior to the Client having a positive account balance. This may be impossible, should the initial losses have been too high. For this reason, the Client should have advanced knowledge of daytrading, securities markets, trading techniques, trading strategies and derivatives and should trust the provider of the trading signals. In particular this is because the Client may be in competition with well-financed professional daytraders.

Additional risks of CFD and FOREX Transactions exist due to the short-term nature of the trading activities.

4. Special Risks for CFDs on Indices

CFDs are also subject to the risks involved with the respective Underlying Assets. There are some peculiarities for CFDs on indices, which have to be considered. Please note that indices themselves correspond to stocks. As a result, the risks involved in physical stocks also apply. For CFDs on indices all risks that exist for a respective stock trade apply.

a) Risks of Holding Company Shares

All stocks that indices are based on are shares in a company. The company risks are subject to the economy and the particular situation of the company, which may perform better or worse than other companies in the market. These factors influence the company value and, as such, the stock price. The risk of holding company shares cannot be anticipated. There is no guarantee for a company's success. The price development of the stock is subject to the risk of the economic success of the company.

b) Risk of Price Changes

Stock prices are subject to non-predictable volatility. Periods of rising and falling prices occur in addition to lateral movements of stock prices and supersede each other, without any explanation. The price development of stocks depends on long-term, medium-term and short-term factors, which cannot be anticipated. The price of a stock may also be influenced by general factors that influence the entire stock market or the individual industry (market risk), or affect the respective company directly (company risk).

c) Dividend Risk

A stock dividend is based on the development of the company. Should the company realize profits, high dividends may be paid out. Dividends may also not be paid at all. A dividend paid in previous years does not necessarily indicate future dividends.

d) Risks of the Basic Conditions of Stock Pricing and of Market Psychology

The basic conditions of stock pricing are - in addition to the specific situation of the company - the inflation rate, the interest rates determined by the monetary authority, and other economical factors, which may be processed positively or negatively by the stock exchange or another market. These factors may influence the market value of standard stocks significantly.

The Client must also understand that most decisions in the stock markets are not based on rational criteria, but may be influenced by nonrational opinions, hopes and mass psychological behavior. These may include the general mood of the market, opinion leaders' (e.g. analysts) views, consequences of used market techniques, trend intensification, globalization of the markets and general social events. All these factors may influence stock prices without providing a rational reason.

This may result in double-digit percentage decreases in stock prices, without any changes in the individual company’s fundamentals or earning power.

e) Liquidity Risk

Tight markets are subject to the risk of poor and unfair pricing and the risk of market manipulation. This risk also exists for second-tier stocks. The circle of potential buyers is usually small resulting in unfavorable conditions for the sale of such stocks. The price of such stocks may also be manipulated more easily.

f) Exclusion from the Index

The risk of exclusion from the index also exists for a stock company that is listed on a stock exchange and included in an index. This may happen after buying the CFD. This may result in the devaluation of the excluded company compared to the formerly listed company, which may lead to a decrease of the stock index listing.

g) Misstrade risk

Under certain time and content conditions, the issuer is entitled to retroactively cancel the opening or closing of a CFD position. This may lead to forced liquidations and therefore to losses or lost profits on the part of the client.

5. Special Risks Involved in CFDs on Foreign Exchange and FOREX

CFD and FOREX Transactions are always subject to the risks of the Underlying Assets. There are some peculiarities for foreign exchange CFDs, as follows:

a) Political Risk

Due to political changes or government intervention the exchange rate may change considerably over a short time period. Prices react especially to changes in economic and financial politics.

CFD and FOREX Transactions based on the Euro may in particular be subject to higher risks because of economical or political developments in the Euro Area.

b) Interdependency of Forex Pairs.

The development of a FOREX pair may influence other FOREX pairs. This interdependency may be positive (rising prices reinforcing rising prices, or falling prices reinforcing falling prices) or negative (rising prices reinforcing falling prices, or falling prices reinforcing rising prices).

6. Special Risks Involved in Automated Trading Systems and online Trading

Automated trading systems can execute a high amount of trades in a short time period. As such, a high number of open, leveraged positions can be created that may only be closed in the medium-term. In the case of anticyclic systems, these open positions may lead to a high drawdown, which can lead to a substantial loss, or, in the worst case, even to a total loss of the Deposit. In case clients' losses incurred exceed the clients' deposited capital no further additional payment obligation is required. The trading systems use market orders to some extent and no stop or limit orders. The Company continuously monitors the systems and backup systems are in place, however, the risk of trading losses through technical problems (e.g. internet service failure, hard- and software problems, errors in the trading system, breakdown of the connection to the Account-holding Institution to the order and price systems) remains. Positive past results of trading strategies do not indicate future profits.

Online trading hides further technological risks. System failures or errors, interrupted connections or hardware or software errors may mean that client orders or only partially carried out, carried out late or not carried out at all. These errors and interruptions may lead to significant losses which may exceed the capital investment.

7. Inevitability of Risks

All risks mentioned exist in any case when using the Company's Asset Management Services. The aforementioned risks cannot be fully eliminated by using the services of an Asset Manager, nor through any technical equipment or computer programs. Any other statements regarding the Risk Disclosure made by anybody else (e.g. advisors, experts, etc.), or even firm promises of profits, are invalid. They are acting without authority. Please notify the Company if any unauthorized incidents occur. Please also read the Risk Disclosure of the Account-holding Institution with due diligence.