

# Policy Statement

## Risk Disclosure

Trading foreign exchange and futures on margin carries a high level of risk, and may not be suitable for all investors. The high degree of leverage can work against you as well as for you. Before deciding to invest in foreign exchange or futures you should carefully consider your investment objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial investment and therefore you should not invest money that you cannot afford to lose. You should be aware of all the risks associated with foreign exchange and futures trading, and seek advice from an independent financial advisor if you have any doubts.

## Margined Trading

Margined currency trading is an extremely risky form of investment and is only suitable for individuals and institutions capable of handling the potential losses it entails. An account with BlueMax Capital allows you to trade foreign currencies on a highly leveraged basis (up to about 500 times your account equity). The funds in an account that are being traded at maximum leverage may be completely lost if the position(s) held in the account experiences even a one percent swing in value. For example, if one chooses to leverage up to the maximum 100 times account equity, then a margin of \$1,000 may control an investment of \$100,000. While a 1% upward swing of the positions held in the account may multiply into a \$1,000 profit, a 1% downward swing multiplies into a \$1,000 loss, i.e. the entire investment. Given the possibility of losing one's entire investment, speculation in the foreign exchange market should only be conducted with risk capital that, if lost, will not significantly affect the investor's financial well-being.

BlueMax Capital applies Margin Call Policy to protect clients' account balance from falling into negative territory. This means, when the used margin reaches the level of insufficiency for further trading, margin call will occur. In this case, system will close all open positions at once, and initial used margin remains available after positions all liquidated.

## Fast Market

Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit your losses to the intended amounts, since market conditions, which can be very volatile, may make it impossible to execute such orders. All positions involve risk, and strategies using combinations of positions, such as "spread" and "straddle" positions, may be as risky as taking simple "long" or "short" positions.

Furthermore, there are risks associated with utilizing an Internet-based deal execution trading system including, but not limited to, hardware malfunction, software failure, and Internet connection problems. Because BlueMax Capital does not control signal power, reception or routing via Internet, the configuration of your equipment or the reliability of its connection, we cannot be responsible for communication failures, distortions or delays you may experience while trading via the Internet. BlueMax Capital employs back-up systems and contingency plans to minimize the possibility of system failure.

In addition, exchange rates between foreign currencies can change rapidly due to a variety of economic and political events.

## **Privacy Policy**

At BlueMax Capital, we take right to privacy very seriously and are committed to protecting the information collected about you. We have adopted a Privacy Policy in order to ensure the security and confidentiality of customer records and information; to protect against any anticipated threats or hazards to the security or integrity of such records; and to protect against unauthorized access to or use of such records or information which could result in harm or inconvenience to any customer.

The information you submit electronically through our website or to our offices by fax or hardcopy, is collected by BlueMax Capital alone, and is never sold or rented. It will only be released if disclosure is required by law, or may expose you or us to legal liability.

If necessary, BlueMax Capital may provide customer information to persons or agencies assessing BlueMax Capital's compliance with industry standards, as well as BlueMax Capital's attorneys, accountants, and auditors. In addition, information about our customers, including personal information, may be disclosed as part of any bankruptcy, merger, sale, transfer of company assets, or acquisition.

Except as described in this privacy policy, we will not use your personal information for any other purpose unless we describe how such information will be used at the time you disclose it to us or we obtain your permission.

## **Disclaimer Regarding Order Executions**

BlueMax Capital in an effort to decrease settlement risk to customers has implemented ECN processing methodologies. Any and all orders you place with BlueMax Capital including but not limited to: limit orders, stop-loss, trailing stop, and match orders, in order to comport with the aforementioned systems shall be directed to BlueMax Capital's counterparties as market orders. Said counterparties provide liquidity to the market by maintaining sufficient inventory of respective currencies. Your order will be directed to the respective counterparty as a market order. BlueMax Capital does not accept liability for any discrepancies or results in connection, in conjunction with, or related to orders you placed that are executed as market orders through the respective counterparties.

Customers who place limit orders at a set price through BlueMax Capital may experience trades being executed at a downward deviation from the customers set price due to volatile market movements and other catalysts, including but not limited to: news events, political events, material market events and research report releases, amongst other things. So whilst limit orders generally allow customers to control potential losses, should the market move against you, please be aware that limit orders may not always limit losses the way they were anticipated. BlueMax Capital does not accept any liability for any discrepancies or results related to limit orders being executed at a price different than that previously set by the customer.

**Disclaimer Regarding Usage Of Electronic Trading System Including MetaTrader Expert Advisor**

Clients agree to accept full responsibility for the use of the electronic trading platform and for any orders transmitted through the electronic trading platform. BlueMax Capital does not accept any liability for any discrepancies or results related to customers utilizing MetaTrader Expert Advisors automated trading programs. Customers are strictly liable for their use of Expert Advisors and all trading activity conducted thereon. BlueMax Capital expresses a neutral position on customer's use of Expert Advisors. Any and all unexpected openings or closings of positions initiated by the Expert Advisor, whether relevant to system error or otherwise, falls outside the ambit of BlueMax Capital's responsibility, and therefore, BlueMax Capital cannot be held liable for such actions or results thereof.