

About This Disclosure Statement

This Disclosure Statement is issued by company 17164 - Atlantic Pearl Ltd (“APL”), which offers their clearing services via a website name/brand known as Mt.Cook Financial (“MTC”), collectively also herein after the “Company”. This is an important document and should be read in its entirety. The intention of this Disclosure Statement is to:

- (1) inform you of specific risks generally associated with the trading of spot foreign exchange contracts and spot metal contracts you may enter into pursuant to the Client Services Agreement or the combination of any of them, and that the risk of loss can be substantial.
- (2) provide you with the statutory risk disclosures in relations to certain financial instruments that you may trade in pursuant to the Client Services Agreement.

This Disclosure Statement does not disclose all the risks and other significant aspects of trading in leveraged spot foreign exchange and spot metals offered by MTC. MTC may from time to time send or upload on its website/trading platform further supplements and other product and risk descriptions on the products and services it provides. You are strongly recommended to read such supplements.

Trading speculative leveraged products is more risky than trading non leveraged investment products (such as conventional share trading) and can result in losses that may be in excess of your initial outlay. If you do not understand the risks associated with such products or are not willing to accept the risks or potential losses, you should not enter into any such transaction. You should also carefully study the market before you trade or invest.

Before making a decision to invest in the financial products or services we offer, you must consider your own financial circumstances, your understanding of the nature of the transactions, the extent of your exposure to any potential loss, needs and objectives to determine if trading in leveraged Products is appropriate for you. We recommend you obtain independent financial, legal and other professional advice concerning this document and also Mt.Cook’s, **Client Services Agreement, Risk Disclaimer, Trading Risks, Privacy Policy, Terms of Use, Terms and Conditions, Disclosure Statement, and General AML Policy** documents, herein referred to as the “**Disclosure Docs**”. All of these documents are available for download from the www.mtcookfinancial.com website.

This Disclosure Statement provides you with information about the following:

1. **General Information**
2. **About MTC**
3. **Disclosures**
4. **Risk Disclosure Statement**
5. **Fees and charges**
6. **Remuneration;**
7. **MTC Agreement;**
8. **Electronic Communication;**
9. **Trading Products; and**

it must be understood that this Disclosure Statement should be read in conjunction with MTC’s Disclosure Docs, all of which can be downloaded in the client area on our website. Note the word Contract used in this document is defined in the General Terms and Conditions.

1 GENERAL INFORMATION

1.1 Earlier Disclosure Statements.

This Disclosure Statement replaces all previous versions. This Disclosure Statement is dated 1 Mar 2016. Any updates to this Disclosure Statement (that are not materially adverse to investors) will be available on our website or without charge by contacting us directly. Where updated information is materially adverse to investors, MTC may issue a supplementary or revised Disclosure Statement.

1.2 Accreditations & Regulation

MTC is a licensed financial services and technology provider. As such, MTC has obtained AJR status (authorized juristic representative) with the FSB under Khwezi Financial Services (Pty) Limited who are a full service, multi-faceted FSP, operating out of Cape Town, South Africa (FSB licence no. 44816).

Atlantic Pearl Ltd is authorized by the FSB to provision liquidity, and to deal as an AJR, in intra-day rolling spot currency contracts (as derivatives) in an agency model capacity under Category 1, sub-category 8 and 13 for both equities and derivatives.

1.3 Representations

MTC’s products are offered solely on the basis of the information and representations contained in this Disclosure Statement and associated documents and no other information or representation is authorised nor is any person authorised by MTC to give any form of information to clients or make any other representation whatsoever other than as outlined in this Disclosure Statement.

1.4 Currency

All financial amounts quoted are in US Dollars (USD) unless otherwise specified or the context implies to the contrary.

1.5 References

References to any Issuer, Underlying Asset, Index or Underlying Market to which a Contract relates are included purely for the purpose of identifying the underlying security and/or asset. They are not an endorsement (express or implied) of any Contract by such Issuer or Underlying Market and such company or other entity does not accept responsibility for any liability with respect to the product.

MTC does not have any affiliation with any Issuers or Underlying markets and has no information concerning those entities other than that which is available in the public domain. MTC will not accept any liability or responsibility for, and makes no representation or warranty, express or implied, as to the accuracy or completeness of such information.

1.6 Jurisdiction

The distribution of this Disclosure Statement may be restricted in certain jurisdictions. Persons into whose possession this Disclosure Statement becomes available are required to inform themselves of, and observe, such restrictions. This Disclosure Statement does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer or solicitation. All clients you should note:

- The law type governing your dealings with MTC is that of a hybrid legal system found in the South Africa (civil, common and british).
- Your rights against MTC are restricted as set out in this Disclosure Statement, and the DISCLOSURE DOCS.
- Your money will be held and disbursed in accordance with MTC's strict client segregation policy.

1.7 MTC Does Not Give Advice

MTC does not give personal and/or financial product advice. While MTC may provide general financial information regarding their products and the spot forex market, this information does not take into account your personal circumstances and should not be construed as a recommendation that these types of Contracts are right for you or that any particular course of action is recommended. We recommend

you seek independent, expert advice before making a decision as to the suitability of the product for you.

1.8 Discretionary Investment Management

MTC does not offer discretionary investment management services. If in the future this service was offered by MTC it would issue a new Disclosure Statement and advise clients.

2 ABOUT MTC

MTC is both a technology company and financial service provider that provides innovative solutions and proprietary platforms for speculators in the spot foreign exchange, and spot metals market place to a specific niche global client base.

Contact, Company, and Trading Details

MTC operates its offices 24 hours 6 days per week to coincide with the first market to open on Monday (New Zealand) to the last market to close on Friday (New York).

Our company and contact details are as follows:

SLOVENIA OFFICE (HEAD)

Cesta prvih borcev 11,
8250 Brezice, Slovenia

Phone (EU): + 386 (1) 600-1626

Phone (US): + 1 (866) 672-8733

Fax: +1 (866) 672-8733

Email: info@mtcookfinancial.com

Website: www.mtcookfinancial.com

CAPE TOWN OFFICE
1020 Manhattan Place
130 Bree Street
Cape Town, 8001

VANUATU BRANCH AND OFFICE
Ajc - Govant Building,
Bp 1276, Port Vila, Vanuatu
Company No: 300220 (Branch)

COMMONWEALTH OF DOMINICA
COMPANY AND OFFICE
8 Copthall, Roseau Valley, Roseau,
Commonwealth of Dominica 00152
Company No: 17164

3 DISCLOSURES

3.1 Initial Disclosure

Neither the Company nor any of its Directors/Management have been:

- (a) convicted of an offence under the Securities Markets Act 1988, the Securities Act 1978, or of a crime involving dishonesty (as defined by the Crimes Act 1961); or
- (b) a Director or Principal officer of a body corporate at the time the body corporate committed such an offence; or
- (c) adjudged bankrupt; or
- (d) prohibited by an Act or by a court from taking part in the management of a company or a business
- (e) the subject of an adverse finding by a court in any proceeding that has been taken against the dealer in a professional capacity
- (f) expelled from, or prohibited from being a member of a professional body

3.2 Procedures for Dealing with Money & Property

- (a) In transferring money to MTC the Client must ensure that it obtains the Segregated Client Bank Account details of MTC before transferring money.
- (b) All money received from the client is held in separate Segregated Client Bank Accounts in accordance with MTC client segregation policy.
- (c) Records will be kept pertaining to the activity of the account and are available to the client via the Mt.Cook trading platforms. Records are also kept in respect to contracts entered into by the Client with MTC and include online order placement logs, phone tapes and chat logs. Any such records may be available on request by the client.
- (d) The Client consents to MTC holding client money in Specified Client Investments and acknowledges that MTC may earn interest in connection with the client's cash deposits in its ordinary course of business.
- (e) The financial records including the Segregated Client Bank Accounts and Client Funds shall be filed as annual returns and annual financial statements and when required by law to be approved by an independent auditor.

MTC may hold Client Money in bank, broker, or prime broker accounts in any country. Client Money while held in trust nature may also be subject to the jurisdiction of that territory where it is being held and your rights may differ accordingly to such jurisdictions, and in the event of solvency or any other equivalent failure of that bank or broker or prime broker where funds are being held, your money may be handled differently from the treatment which would apply if the money was held with a bank in your home country. If such an event arose the client consents that MTC cannot be held responsible for the solvency, acts or omissions of any bank or other third party with which Client Money is

held which may be subject to foreign regulation. MTC has taken all necessary steps to ensure that the counter parties whom they work with are highly reputable, regulated, and well capitalized.

3.3 Investment Advice

MTC does not give personal investment advice. We recommend you obtain independent financial and tax advice concerning this Disclosure Statement, and the DISCLOSURE DOCS before you open an account.

4 RISK DISCLOSURE STATEMENT

You should seek independent financial, legal and other professional advice before deciding whether these types of products are appropriate for you given your experience, objectives and needs. You must be aware of the risks involved and that you can both gain and lose large amounts of money.

The risk of loss in trading in these type of products can be substantial. You should therefore carefully consider whether this kind of trading is appropriate for you in light of your financial circumstances. In deciding whether or not you will become involved in that kind of trading, you should be aware of the following matters:

- (a) you could sustain a total loss of the initial margin funds that you deposit with MTC to establish or maintain a position in a particular Contract;
- (b) if the market price moves against your position, you may be required, at short notice, to deposit with MTC additional margin funds in order to maintain your position. Those additional funds may be substantial. If you fail to provide those additional funds within the required time, your position may be liquidated at a loss and in that event you will be liable for any shortfall in your account resulting from that failure;
- (c) under certain conditions, it could become difficult or impossible for you to liquidate a position (this can, for example, happen when there is a significant change in prices over a short period) and you could exceed your stop out level and bring your account in to the negative in which case you would owe MTC the negative balance if exceeding your margin stop out level;
- (d) the placing of contingent orders (such as a "stop-loss" order) may not always limit your losses to the amounts that you may want. Conditions may make it impossible to execute such orders;
- (e) a "spread" position is not necessarily less risky than simply "long" or "short" position;
- (f) the high degree of leverage that is obtainable in trading these type of products because of small margin requirements, can work against you as well as

for you. The use of leverage can lead to large losses as well as large gains; and

(g) Market risk and financial risk are generally the two types of risk associated with trading (e.g. stocks, shares in a company). Market risk is associated with the movement of the stock market in general. Financial risk is the risk associated with the financial condition and profitability of the Company in question. Companies with smaller capitalizations may experience higher growth rates and higher failure rates than companies with larger capitalization.

The two types of risks all fixed income securities are subject to are credit risk and interest rate risk. Credit risk relates to the ability of the issuer to meet the interest and principal payments on a security as they become due. Generally, higher yielding lower grade bonds have a higher credit risk than lower yielding investment grade bonds. Interest rate risk is characterized by fluctuations in the price of fixed income securities resulting from changes in the prevailing interest rates. These risks mean that investments in lower grade securities are at greater risk of not achieving the income or value gains expected from such securities and that the investments net value is at greater risk of decline.

(h) Volatility risk: Spot Foreign Exchange and Spot Metal contracts can be highly volatile and carry a high risk of loss. A relatively small adverse market movement may result in a loss which exceeds or is out of proportion with any potential or expected returns.

(i) Foreign exchange/currency risks: If your transaction is priced in a foreign currency, there will be actual losses if exchange rates move against you. Similarly, where liabilities in one currency are matched by assets in a different currency, or where assets are denominated in a currency other than your reference currency, movements of exchange rates may have a separate effect, unfavorable or favorable, on any gain or loss otherwise experienced on the investment.

(j) Foreign Markets: Foreign markets will involve different risks from those foreign markets. Transactions on foreign markets may expose you to additional risks.

(k) Electronic trading: MTC's trading services are supported by computer-based component systems which may be used, inter alia, for order-routing, execution, matching, registration or clearing of trades, and this may carry certain risks. Such services and computer systems are vulnerable to disruption or power or system failure. You will be exposed to risks associated with the systems including the failure of hardware and software, and this could result in your order not being executed according to your instructions or not being executed at all. You should

also be aware that the internet is not a completely reliable transmission medium and there may be delays in service provisions.

(l) OTC/Off-exchange transactions: Investment in off-exchange transactions may involve greater risks than exchange traded transactions because they are not regulated by the rules of an exchange.

(m) Insolvency risk-third party risk: Transactions are entered into by you (or on your behalf) at your risk with counter-parties and brokers upon their prevailing terms and conditions for the transactions, and are dependent on their performance, settlement or delivery. Your brokers' or prime broker's insolvency or default, or that of any other party involved directly or indirectly in your transaction, may lead to positions being liquidated or closed out without your consent.

(n) CFDs: There are significant risks in trading in CFDs. CFD trading is not conducted on, nor subject to the rules of, any regulated market or exchange. CFDs are unsuitable for many investors and may involve different levels of exposure to risks. Positions under CFDs are usually marked -to-market on a daily basis with payments being settled daily to account for market movements. This risk of loss related to insufficient margins can be significant.

This statement does not disclose all of the risks and other significant aspects involved in trading these types of products. You should therefore study trading the particular product you wish to trade carefully before becoming involved in it. For more in-depth analysis of the risks involved in participating with MTC, please review all of the MTC DISCLOSURE DOCS.

5 FEES AND CHARGES

5.1 Administrative Charges

MTC may pass through various fees and charges for certain administrative services that may occur in the course of your dealings with us. These services include but are not limited to: wire transfers, credit card transactions, duplicate statements by post, audit certificates, etc.

5.2 Dormancy Fee

If there is no filled Orders in your account for at least 3 months, clients may be subject to a dormant account fee (the "Fee"), in return for administrative and information services and/or access provided by MTC to active accounts. The Fee will be equal to the lesser of the remaining balance in your account or USD25.00 per month. If you are assessed the Fee and your account balance becomes zero (0), your account may automatically be classified as a dormant account

and may be closed.

5.3 Margin

(a) Margin Rates

Margin is a proportion of the contract value. Margin is usually of two types. 'Initial Margin' is the margin which relates to the general risk and inherent volatility of the product, and is paid up front. 'Variation Margin' relates to market volatility. Initial Margin is the amount we debit from your account as soon as you open a new position. This protects us in event of sudden market change or default by you. Generally this amount is calculated as a percentage of the value of the Contract. Please refer to our website or contact us directly for the current margin rates offered by MTC.

(b) Financing Rates (Swaps)

You should be aware that for positions held past the end of the day's trading, you may either need to pay an overnight charge for financing the contract value or you may receive an amount of the contract value. This is due to interest rate differentials between currencies, commonly referred to as Swaps. Positions closed before the end of day are not subject to overnight financing (Swap) charges, and are therefore well suited to intra-day trading.

5.4 Trading Commissions

The commission charged for each Contract will depend upon the particular Contract and will be deducted from your account as soon as the Contract is executed. Details of the commission paid by you will be detailed on our website and on the online trading systems as well as your statement. We will advise whenever our commission rates change. Please [contact us](#) for any explanations on how these commissions are calculated.

Commissions are based on total US dollar amount of the executed order. Commissions are instantly and automatically calculated on currency pairs that do not have the US dollar as their base. Our detailed reporting system within the platform keeps track of all trades and commission charges. The detailed statements show when and how the commission was calculated based on best available conversion rate available during execution of the trade.

6 RENUMERATION

MTC and its advisors are remunerated by way of transactional commissions if charged and/or also by way of spread income. Spread income is the difference between the retail and wholesale rates at

which MTC offers its clients and receives from its counterparties.

7 MTC AGREEMENT

Your Agreement with MTC consists of this Disclosure Statement, and the DISCLOSURE DOCS which are a bundled set of disclosure documents. We require that you read all these documents prior to opening an account with us. Should you have any queries or concerns or require clarification of any matter contained within these documents, please [contact us](#) prior to opening an account.

Our relationship in respect of any Agreement that you enter into with us is fully governed by this Disclosure Statement, and the DISCLOSURE DOCS. These must be read, understood, and agreed to before you open an account with us.

8 ELECTRONIC COMMUNICATIONS

All communications between us using electronic signatures shall be binding as if they were in writing. By executing the Client Services Agreement online or by signing you have agreed to this Disclosure Statement, and all of the DISCLOSURE DOCS, and give your consent to the receipt of communications by electronic means which but for your consent must be made using a durable medium. Agreements, orders or instructions given by electronic means will constitute evidence of Agreement, Orders or instructions given.

9 TRADING PRODUCTS AND SERVICES

Currencies

Spot Contracts in Australian Dollar, British Pound, Canadian Dollar, Euro, Japanese Yen, New Zealand Dollar, Swiss Franc, and the United States Dollar etc... (all tradable major and minor exotic currency crosses)

Metals

Spot Gold and Silver

Oil

Spot Oil (currently not available, but may be offered at a future date)

Spot Foreign Exchange, Spot Metals and Spot Oil Contracts

These are leveraged contracts for an agreed quantity at an agreed rate. The agreed quantity underlying this contract is not deliverable. These contracts are valued and closed daily at the end of the trading day and reopened the following trading day at the current

market price with the resulting profit or loss either debited or credited to the clients account.

All intra-day rolling spot currency contracts are opened and closed within a Greenwich Mean Time trading day (commencing at 12.00.00am GMT on a day and ending at 11.59.59pm GMT on that same day).

QUESTIONS

MT.COOK is committed to transparency and integrity, and are always willing to assist in helping existing or potential participants understand various topics and make well informed decisions. Please do not hesitate to contact MT.COOK at www.mtcookfinancial.com/contact/ for any further questions or clarifications pertaining to this, or any other documents as they relate to MT.COOK.