

Trading Account Acknowledgment

Your trading experience (please tick one)

Extensive Moderate Limited

There is the potential to make money from trading. However, it is a fact that there also exists the potential to do serious financial harm. We highly recommend that if you decide to operate a trading account you develop a well-structured plan, which you adhere to, to maximize your potential profits and minimise your potential losses. In trading, capital preservation is paramount. In developing your trading plan we recommend that you at least consider the following:

- running concentrated portfolios carries with it a high degree of risk; we recommend that no more than 20% of your total investment funds are allocated to any one stock.
- the total funds to be allocated to your trading account
- your target profit per annum
- your position size per trade
- what will determine your trigger, entry and exit points, and
- given the answers to the above, how often you will need to trade.

A further word on ...

Concentrated portfolios: Research supports portfolios of 15 to 30 stocks so as to ensure most of the benefits of diversification. More concentrated portfolios carry the risk of too many eggs in the one basket. Performance may be adversely affected by poor performance of only one to two stocks.

Small to mid-cap stocks: Small to mid-cap stocks carry higher risks than blue chip stocks. While we would all like a small stock that 'would make us rich', the sector as a whole is difficult. Historically there are many poorer performers than good performers. Portfolios with a weighting over 15% in small caps may show high volatility. Concentrated portfolios in small-cap stocks should be regarded as speculative and are not recommended by Burrell Stockbroking Pty Ltd.

Income tax: You should seek your own advice regarding taxability of gains and losses, however Burrell recommend trading be conducted in a separate account from the core portfolio. To enhance deductibility for losses, 'trading accounts' should be so designated.

The following account(s) are classified 'trading':	Account No(s).	
Account name(s)		

Acknowledgement, declaration and exclusion of liability

By signing below all parties declare that they wish to operate a trading account or accounts with Burrell. All parties acknowledge that they understand the high level of risk associated with operating a trading account, including but not limited to the fact that they may incur significant losses, and may lose all capital invested. All parties acknowledge that Burrell Stockbroking, its Directors and employees cannot be held liable for losses suffered from the operation of a trading account. To the full extent permitted by law, Burrell Stockbroking Pty Ltd, its Directors and employees exclude all liability (including liability for negligence) arising from, or related to, the operation of your trading account or accounts. Where liability cannot be excluded, it is to be limited to the maximum extent permitted.

Please ensure all parties to this agreement sign			
Signature of Individual/Director/Trustee		Date	/ /
	Applicant 1 Name (print)		
Signature of Individual/Director/Trustee		Date	/ /
	Applicant 2 Name (print)		