



**MARGIN FOREIGN EXCHANGE  
BULLION, & CFD  
Product Disclosure Statement  
Customer Agreement**

**City Index Australia Pty Ltd  
trading as FX Solutions Australia  
ACN 141 774 727  
AFSL 345646  
Date of Issue 23 June, 2010**

## Important notice

FX Solutions Australia is a registered business name of City Index Australia Pty Ltd, the issuer of this Product Disclosure Statement (**PDS**) dated 23 June, 2010. This PDS replaces all previous versions and should be reviewed in its entirety including Section 1 on Risks. Where FX Solutions Australia produces this document in a foreign language the English version shall prevail.

In accordance with the Customer Agreement, this document may have been made available on our website.

Before dealing in FX Solutions Products you should consider whether they are appropriate based on your investment needs, financial circumstances and trading experience. It is important for you to consider the PDS in deciding whether to acquire, or to continue to hold, the products.

FX Solutions Products are leveraged and speculative and are not suitable for all investors. The prices of FX Solutions Products and the underlying currencies or instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled.

You will deal in all FX Solutions Products on margin. Accordingly, you are advised that:

- by participating you will be required to pay margins to FX Solutions Australia;
- You may be required, at short notice, to deposit money as margin in order to maintain positions; and
- the relatively low margin requirements permit a high degree of leverage. Accordingly, a relatively small price movement in an FX Solutions Product may result in an immediate and substantial loss to you and a loss in excess of the amount invested.

*You must also read the Customer Agreement and complete an Application Form and be approved by FX Solutions Australia.*

*The Application Form requires you to disclose personal information. You should refer to the Privacy Statement in Section 13 which explains how FX Solutions Australia collects personal information and then maintains, uses and discloses that information.*

### **Updating this PDS**

Information in this PDS may be updated from time to time where that information is not materially adverse to customers. FX Solutions may be required to issue a supplementary PDS as a result of certain changes, in particular where the changes are materially adverse from the point of view of a reasonable person deciding as a retail client whether to open a trading account or invest in FX Solutions Products.

This PDS, amendments and any supplementary PDS is available from our website at [www.fxolutions.com.au](http://www.fxolutions.com.au) and a paper copy will be made available upon request by contacting 1800 139 103.

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## About this Product Disclosure Statement

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### Representations

FX Solutions Products are offered on and from the date of this document solely on the basis of the Customer Agreement and the Fees & Charges set out in Section 10 or as modified from time to time. No other information or representation is authorised nor is any person authorised by FX Solutions Australia to give any information to Clients or to make any representation.

### Financial amounts

The financial amounts in this PDS are expressed in Australian Dollars unless otherwise stated.

### General Advice Warning

FX Solutions Australia will not give you Personal Advice. This Product Disclosure Statement does not constitute a recommendation or opinion that FX Solutions Australia's Products are appropriate for you.

Accordingly, before applying to deal in FX Solutions Products, you must consider your objectives, financial situation and needs and the significant risks of loss which accompany the prospects of profit.

FX Solutions Australia recommends obtaining independent advice concerning this Product Disclosure Statement and the Customer Agreement.

### Australian Investments & Securities Commission (ASIC) and this Product Disclosure Statement

ASIC's role in authorising FX Solutions Australia is limited and does not imply approval or endorsement of the business, trading or solvency of FX Solutions Australia.

The ASIC has not approved this, the Customer Agreement or any other document.

### Underlying Instruments

References in this PDS or in the ITP to any product traded on any exchange on which an FX Solutions Product is based are included solely for the purposes of identification of the Underlying Instruments to which those FX Solutions Products relate. Such references are not to be construed as an express or implied endorsement by the exchange or other entity of the FX Solutions Products. Nor does any such company or other

entity accept any responsibility for any statement in this PDS or undertake any liability in respect of the FX Solutions Products. Those other entities are not involved in the issue of the FX Solutions Products and have not been party to the preparation of this PDS or furnished any information specifically to FX Solutions Australia for the purpose of its preparation.

Furthermore, FX Solutions Australia has no affiliation with such companies and other entities and has no access to information concerning those companies and other entities, other than that which is in the public domain. FX Solutions Australia does not, therefore, accept any liability or responsibility for, and makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. You should make your own enquiries.

### Use of examples in this Product Disclosure Statement

Examples stated in this PDS are provided only for illustrative purposes. The examples use figures which attempt to demonstrate how FX Solutions Products and their requirements work. The figures do not necessarily reflect your personal circumstances and do not restrict in any manner the way in which FX Solutions Australia may exercise its powers or discretion.

The examples do not constitute personal advice to any person reading this PDS.

Words and terms in this document have the same meaning defined in the Customer Agreement.

### Jurisdiction

The distribution of this PDS may be restricted in certain jurisdictions outside Australia. Persons into whose possession this PDS comes are required to inform themselves of, and to observe, such restrictions. This PDS does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

If you are dealing with FX Solutions Australia and are not an Australian resident for tax purposes, you should note:

- the law governing your dealings with FX Solutions Australia is the law of Australia;

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- your rights against FX Solutions Australia are restricted as set out in the Customer Agreement;
  - times are Australian Eastern Standard, unless stated otherwise.

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## Summary of Rates & Charges

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This Section is a summary of Rates & Charges only. Please refer to Section 10 for details.

### Transaction Fees

FX Solutions Australia does **not** charge transaction fees on Foreign Exchange, Bullion or Index CFD's.

### Exchange Fees

You may be liable to pay an exchange fee. The exchange fee covers fees that FX Solutions Australia must pay to a Stock Exchange for use of real-time prices in the ITP software.

### Daily Financing Fees

If you are the Long Party overnight in an Index CFD you pay a Daily Financing Fee.

If you are the Short Party overnight in an Index CFD you may be paid a Daily Financing Fee.

The Daily Financing Fee is determined by adding or subtracting the Financing Spread from the Reference Interest Rate.

The Financing Spreads are set out in Section 10.5.

### How is the Daily Financing Fee charged?

The Daily Financing Fee is charged or paid to Client accounts at the close of business daily. The Daily Financing Fee is calculated in the currency in which the instrument is denominated and then converted to and charged or paid in the client's Base Currency.

### Bid Offer Spread and Minimum Tick Value

Because of the difference between the buying and selling price of a product, the

relevant price must move favorably before you can break even.

The value of the difference between the bid and offer depends on the tick value which varies between products and on the minimum contract size for each product. Refer to the tables in Section 10.

### FX Rollovers

If you are the Long Party to a margin foreign exchange contract in a high yielding currency position overnight you may receive a benefit.

If you are the Short Party to a margin foreign exchange contract in a high yielding currency position overnight you will be charged.

These Rollover rates are calculated on an ongoing basis and any charge or benefit will be debited or credited to your account daily in your Base Currency.

### Interest on Account Balances

FX Solutions does not pay Interest on deposits.

However, debit interest may be charged for accounts in arrears.

### Administration fees

FX Solutions Australia may charge you for some administration services such as remittance of money to overseas bank accounts or collection of outstanding amounts.

Please refer to Section 10 for the details.

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## Summary of Risks

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This Section is a summary of Risks only. Please refer to Section 1 for details.

### Margins

You will deal in all FX Solutions Products on margin. Accordingly:

- by participating you will be required to pay margins to FX Solutions Australia; and
- Margin requirements can change at short notice;
- The relatively low margin requirements permit an extremely high degree of leverage. Accordingly, a relatively small price movement in an FX Solutions Product may result in an immediate and substantial loss to you and a loss in excess of the amount invested.
- During trading halts or suspensions FX Solutions may increase margin requirements to 100% at short notice.

### Market Risks

Clients are advised that losses may:

- Arise from the bid-offer spread and widening of the bid-offer spread may occur without notice;
- be caused by fluctuations in equity prices, interest rates and currency valuations;
- be caused by the suspension of trade in any underlying financial market or instrument from which a FX Solutions Product is derived or a lack of liquidity in any such instrument;
- be caused from changes in the interest rates of the respective currencies traded.

### Cooling Off

Clients are advised that after executing transactions, Clients may not cancel the contract relating to the transaction.

### Delisting and Trading Halts

Clients are advised that trading halts, suspensions and delisting of Underlying Instruments are common.

FX Solutions Australia may in its absolute discretion, suspend trading in an FX Solutions Product or cease to quote a product where there is a reasonable basis to believe an orderly market can no longer be provided.

Clients are warned that during trading halts or suspensions positions in CFDs cannot be reduced or closed and FX Solutions Australia may increase margin requirements to 100% at short notice.

Where an Underlying Instrument is suspended or halted FX Solutions Australia will use the last traded price (unless there are reasonable grounds to price differently) of that Underlying Instrument for the purposes of determining margin requirements and financing fees.

### Margin Close Out

FX Solutions Australia has the right (but not the obligation) to close out a Client's open position when funds maintained in the Client's account fail to satisfy the margin requirements.

Consequently, Clients may not be able to control the time or price at which an open position is closed.

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## **FX Solutions' Refusal to Deal or Quote**

FX Solutions may refuse to accept an order or provide quotes at our discretion, or under the terms of the Customer Agreement.

## **Operational Risks**

FX Solutions Products are typically traded over the internet. Clients are therefore exposed to the operational risks associated with conducting transactions electronically and in some cases may make it impossible for a Client to place, execute, confirm or cancel an order.

This includes but may not be limited to:

- The stability of the ITP trading platform;
- Reliability and stability of local and international communication connections;
- Reliability and stability of Clients' own personal computer or internet connection.

## **Credit & Counterparty Risk**

As FX Solutions Australia issues its Products, Clients are directly exposed to the financial risk associated with dealing with FX Solutions Australia and indirectly exposed to the financial risks of FX Solutions' counterparties and organisations with whom we hold Client funds.

If the financial conditions of FX Solutions or assets of our counterparties or the parties with which we hold Client assets deteriorate, then Clients could suffer loss because the return of the Client margin and other Client property could become difficult.

**A copy of the latest financial statements of FX Solutions Australia, the CFD issuer, are available free of charge upon request.**

Hedge Counterparties:

- City Index Limited

## **Segregated Accounts**

All money that Clients deposit with FX Solutions Australia will be segregated from FX Solutions' funds and managed in accordance with the Customer Agreement.

However, it is important to note that the holding of Client money in one or more segregated accounts may not afford Clients absolute protection. Please refer to Section 2.4.

Parties holding segregated funds:

- Commonwealth Bank of Australia
  - JP Morgan Chase N.A Sydney Branch
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### Address

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#### Registered & Business Address

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Level 15, Chifley Tower,  
2 Chifley Square,  
Sydney NSW 2001

#### Postal Address

GPO Box 5464,  
Sydney NSW 2001  
Australia

Australian Financial Services License 345646

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Monday through to Friday.

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Toll Free  
Sales 1800 139 103

General Information [Customersupport@fxsol.com.au](mailto:Customersupport@fxsol.com.au)

Web Site: [www.fxolutions.com.au](http://www.fxolutions.com.au)

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## 1. Summary of Key Benefits & Features

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### Potential in Rising and Falling Markets

Traditional securities and other financial investment products only deliver benefits in rising or stable markets. CFDs provide simple and effective means to take advantage of falling markets.

### Single Platform – Multiple Markets

FX Solutions Australia's trading platforms offer CFDs over domestic and international markets in foreign currencies, bullion and equity indices, all from a single account.

### Leverage

CFDs are a leveraged investment and trading instrument. While leverage can magnify losses, it can also magnify profits. Leverage allows Clients to take larger exposures, to more markets, than cash investors using the same capital base.

### Multiple Strategies

Leverage also means that Clients can employ more investment and trading strategies than "long only" investors. These include trading "pairs", trading across asset classes, going short and taking exposures around short term events.

### Hedging

CFDs can be used to hedge investments, and reduce existing market risk. Clients can hedge directly, on a portfolio basis, or to cover specific risks of investments.

### Lower Costs

Generally, CFD exposures come at lower transaction costs than the same exposure taken in the Underlying Instruments.

### No Account Fees

Clients pay no fees to open or maintain a CFD trading account. In some limited circumstances, FX Solutions Australia reserves the right to pass on exchange fees where they are charged to FX Solutions Australia.

### Key Features

This summary outlines some key questions that are explained in this PDS. However, you should ensure that you read and understand this PDS in its entirety before investing in CFDs.

| Question                       | Answer  |
|--------------------------------|---|
| Who is the issuer of this PDS? | The issuer of this PDS is FX Solutions Australia a wholly owned subsidiary of City Index (Holdings) Limited, a UK-based financial services company. |

| Question                                  | Answer  |
|---|---|
| <p>What is a contract for difference?</p> | <p>A contract for difference (<b>CFD</b>) is a contract under which the parties agree to exchange the cash difference between the opening value and the closing value of the contract. The CFDs we offer are over-the-counter financial products that give the holder exposure to price movements of an Underlying Instrument. Like other derivatives, CFDs allow investors to participate in the returns from movements in an Underlying Instrument, without the need to own that Underlying Instrument.</p> <p>CFDs allow you to make a profit or loss from the fluctuation in the Underlying Instrument and the amount of any profit or loss on a CFD trade will be the total of:</p> <ul style="list-style-type: none"> <li>- the difference between the opening value of the CFD (Quantity x Our Price) and the closing value of the CFD (Quantity x Our Price); less</li> <li>- any Daily Financing Fee or Rollover.</li> </ul> |
| <p>What is leverage?</p>                  | <p>Leverage refers to the use of a small amount of cash or other equity to supplement an investment of a larger exposure.</p> <p>This allows you to make a larger investment for any given amount of cash you provide as collateral. Leveraged products such as CFDs allow you to use a small amount of equity to take a large exposure in an Underlying Instrument.</p> <p>Leverage allows an investor to amplify both their returns and their losses, and investors may also experience increased volatility in the returns of their investments.</p>   |
| <p>How do I open and close positions?</p> | <p>Positions can be opened by either buying or selling, depending on whether you require a Long or Short position.</p> <p>Positions can be closed by taking the equal and opposite position in the FX Solutions Product. That is, purchase a contract to close a Short position, or sell a contract to close a Long position.</p> <p>Typically Clients trade our products over a downloadable platform, web-based trading platform, or Mobile platform provided by FX Solutions Australia although Clients can transact over the telephone.</p>   |

| Question                                | Answer  |
|---|---|
| What are the costs involved?            | <p>The costs involved in trading our products will vary depending on the product traded. For example, whether it is a FX, Bullion or Index CFD and whether it is a Long or Short position.</p> <p>Costs may include:</p> <ul style="list-style-type: none"> <li>- Daily Financing Fee,</li> <li>- Rollover Fee,</li> <li>- Bid - Offer Spread and</li> <li>- other costs or charges for trading in CFDs are described in Section 10.</li> </ul>   |
| How are CFDs priced?                    | <p>The prices of the products traded with us are generally based on the prices of the Underlying Instrument to which the product relates.</p> <p>A further discussion of the pricing is set out in section 3.4</p>  |
| What are the risks involved in trading? | <p>As with all leveraged investments, trading in FXSolutions Products can be risky and is not appropriate for everyone. There are a number of types of risk that you should be aware of before beginning to trade, including the possibility of losing more money than you invest. Some of these types of risk include:</p> <ul style="list-style-type: none"> <li>- Leverage risk;</li> <li>- Close out risk;</li> <li>- Counterparty risk</li> <li>- Operational and system risk;</li> <li>- Market price and volatility risk;</li> <li>- Segregated account risk;</li> <li>- FX risk;</li> <li>- Operational Risk and;</li> <li>- External market price risk.</li> </ul> <p>Please refer to Section 2 for further information.</p> |
| What are Long and Short positions?      | <p>An investor will take a "Long position" where they buy something, with the expectation that it will increase in value and will take a "Short position" where they sell something, with the expectation that it will decrease in value.</p> <p>A "Long" CFD is where you purchase a CFD in the expectation that the value of the Underlying Instrument will increase in which case the value of the CFD will increase.</p> <p>A "Short" CFD is where you sell a CFD in the expectation that the value of the Underlying Instrument will fall in which case the value of the CFD will fall.</p>  |
| What is Margin Requirement?             | <p>Margin Requirement is the amount of money that you are required to deposit with us as consideration for entering into a Trade and maintaining an Open Position</p>   |

| Question  | Answer   |
|---|--|
| What is the Margin Level?                             | The Margin Level on your Account is the ratio of Net Equity (the sum of your account balance(s) and Unrealised P & L) to Total Margin (expressed as a percentage). Your Margin Level is stated on the Trading Platform   |
| What is a Margin Close Out?                           | After opening a position if the market goes against you and your Account Equity falls below your Margin requirement, we may close out some or all of your open positions with us.  |
| How do I open an account with FX Solutions Australia? | <p>Prior to opening an account with FX Solutions Australia you should ensure that you have read this PDS, FSG and Customer Agreement and understand the CFDs offered through this PDS.</p> <p>After doing this, if you are satisfied that CFD trading is appropriate for you, you can open an account by completing the Application which is available online via at <a href="http://www.FXSolutions.com.au">www.FXSolutions.com.au</a>.</p> |
| What are the tax consequences of trading?             | <p>The tax consequences of trading in our Products will vary depending on a person's individual circumstances and whether they are traded on a revenue or capital account. We recommend that you obtain your own independent tax advice.</p> <p>Further information is provided in section 11</p>  |

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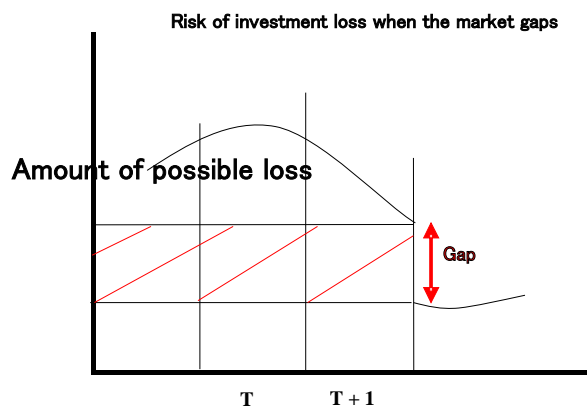
## 2. Risk Disclosure

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### Are FX Solutions Products appropriate for you?

You must carefully consider whether FX Solutions Products are appropriate for you in the light of your financial circumstances, financial markets experience and investment objectives. In making this decision you should be aware you could both gain and lose large amounts of money. You risk losing money because:

- You could lose all the margin funds you deposit with FX Solutions to establish or maintain a position. In addition, you could lose further amounts as explained below.
- If the market moves against your position you may be required, at short notice, to deposit with FX Solutions further money as margin 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 closed. You will be liable for any shortfall in your Account resulting from the closure.
- You could lose all monies deposited with FX Solutions Australia, and in addition, be required to pay FX Solutions further funds representing losses and other fees on your open and closed positions. For example, although you may only deposit \$1,000 in a open position by way of margin, if the market moves against you could lose the full notional value of the open position.
- Under certain conditions, it could become difficult or impossible for you to liquidate or close a position. For example, this can happen when there is significant change in prices over a short period. Refer to Section 2.1 for a more detailed explanation about these risks.



- FX Solutions Australia will not, in all circumstances, accept your request to place an order. Refer to Section 2.10 for further details.
- If FX Solutions accepts your request to place an order, such an order may not always limit your losses to the amounts that you had hoped. Market conditions may make it impossible to execute such orders. Refer to Section 2.1 for more detailed explanation about these risks.
- The high degree of leverage that is obtainable in dealing in FX Solutions 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.

### 2.1 Market Risk

#### Derivative markets are speculative & volatile

Derivative markets can be highly volatile. The prices of FX Solutions Products and the underlying securities, currencies, financial instruments or indices may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled.

The prices of FX Solutions Products will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

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## **Dealing may be affected by factors in the Underlying Instrument**

The prices of the FX Solutions Products are derived from the prices in the Underlying Instruments.

Sometimes markets move so quickly that "gapping" occurs. Gapping refers to a situation in which you are exposed to the risk of losses when market prices or rates are not determined along a "smooth" or continuous path due to external factors such as global political and economic, and specific corporate actions. If "gapping" occurs in the Underlying Instrument, it will also occur in the price of the relevant FX Solutions Australia Product. In this case, you may be unable to close out your position or open a new position at the price at which you have placed your order or may have liked to place your order.

At other times the Underlying Instrument may lack liquidity because of insufficient trading activity or the aggregate of all requests for orders at a particular price or range of prices determined by FX Solutions exceeds the volume that can be traded in the Underlying Instrument. In such cases, FX Solutions may not be able to provide sufficient volume in the product, and it may not be possible for you to close out your position or open a new position. Under these circumstances, a special market quotation may be substituted for Our Price. Refer to Section 3.4 of this document and to the Customer Agreement.

Finally, trading in the Underlying Instrument may be suspended or halted. In such cases, FX Solutions Australia may not be able to offer the corresponding FX Solutions Australia Product, and it may not be possible for you to close out your position or open a new position.

Where an Underlying Instrument is suspended or halted FX Solutions will use the last traded price of that Underlying Instrument for the purposes of determining margin requirements and financing fees. Where FX Solutions has reasonable grounds to believe that a different price reasonably reflects the value of the CFD then it may, at its absolute discretion, price it differently.

As a result of suspension, a potentially profitable deal may not be executed, or it may not be possible to close out a position in a timely fashion at the price you want, resulting in reduced profits or higher losses.

## **Foreign exchange risks**

Your Account is maintained in the currency you have nominated, that is, the Base Currency.

Where dealing in a FX Solutions Product that is denominated in a currency other than the Base Currency of your Account, all Margins, profits, losses and financing credits and debits in relation to that FX Solutions Product are calculated using the currency in which the FX Solutions Product is denominated.

Accordingly, your profits or losses may be affected by fluctuations in the relevant foreign exchange rate between the time the order is placed for the FX Solutions Product and the time the position is closed, liquidated or offset.

Upon closing a position in an FX Solutions Product that is denominated in a currency other than the Base Currency of your Account the profit or loss will be converted from any foreign currency to the Base Currency of your Account. FX Solutions Australia will automatically convert these balances back into your Base Currency. Any conversion will be at the FX Solutions Australia Exchange Rate quoted by FX Solutions Australia (this may be different to the price quoted for a Margin Foreign Exchange product.) Until the foreign currency balance is converted to the Base Currency, fluctuations in the relevant foreign exchange rate may affect the ultimate profit or loss made on the trade when expressed in terms of the Base Currency.

## **Loss caused by spread**

Because of the difference between the buying and selling price of a Product, the relevant Product price must move favourably before you can break even. In other words, even if the price does not move at all and you close out your position, you will incur a loss to the extent of the spread and of any FX Solutions charges which have been incurred.

Furthermore, the spread may be larger at the time you close out the position than it was at the time you opened it.

## **Interest rate fluctuations**

Should you deal in an FX Solutions Product denominated in a foreign currency, fluctuations in the relevant Financing Rate will also affect your profits and losses.

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## Rolling over FX CFDs

When holding Margin Foreign Exchange positions overnight, Clients are advised that losses may be incurred due to changes in interest rates in the respective currencies. Rollovers normally in your favour could be charged against you.

### 2.2 Changes in Margin Requirements

FX Solutions Australia may, under the Customer Agreement, exercise its right to alter the Margin Requirement of any Product at any time at its discretion. Please refer to the Customer Agreement for more information.

If FX Solutions determines that an Event Outside Our Control or Force Majeure Event (see the Customer Agreement for further information) exists then it may (without prejudice to any other rights under the Customer Agreement and at its sole discretion) increase the Margin Requirement. Accordingly, Clients should be prepared at any time to have funds equal to the notional value of their open positions available to meet any increase in the Total Margin.

### 2.3 FX Solutions Australia acts as Principal & Product Issuer

FX Solutions Australia is a market maker, not a broker, and accordingly will act as a principal, not as an agent, in respect of all transactions.

As FX Solutions Australia issues the FX Solutions Products, Clients are exposed to the financial and business risks, including credit risk, associated with dealing with FX Solutions Australia.

### 2.4 Segregated Account

Assets corresponding to the value of the margins and other security deposits that we receive from you are classified as Client assets and are administered in accordance with the provisions of the Corporations Law.

Consequently, all monies that Clients deposit with FX Solutions Australia will be segregated from FX Solutions Australia's funds and managed in accordance with the Customer Agreement.

However, FX Solutions Australia has certain rights as forth below:

- We may withdraw, deduct or apply any amounts payable by you under the Customer Agreement from your monies

held in any segregated account or invested by FX Solutions Australia, including, without limitation making a payment for, or in connection with, the margining, adjusting or settling of dealings in FX Solutions Products and the payment of finance charges, rollovers, transaction fees and interest payments due to us under the Customer Agreement;

- We may pay, withdraw, deduct or apply any amounts from your monies held in any segregated account by FX Solutions Australia.

Your monies may be co-mingled into one or more segregated accounts with the monies of other FX Solutions Australia Clients in accordance with the provisions of the Corporations Act.

We are also obliged to pay any monies due to Clients in relation to dealings in FX Solutions Products into a segregated account. Those obligations to Clients under the Customer Agreement are unsecured obligations, meaning that Clients are unsecured creditors of FX Solutions Australia.

### Warning about segregated accounts

It is important to note that the holding of Client monies in one or more segregated accounts may not afford Clients absolute protection.

You could incur a loss, depending on the creditworthiness of FX Solutions Australia, its covering counterparties or counterparties holding Client segregated assets.

The purpose of segregated accounts is to manage the monies of all our Clients separately from our own funds. However, individual Client's monies are co-mingled into one or more segregated Client accounts.

Furthermore, segregated accounts may not insulate Client monies from a default in the segregated Client accounts. However, it is FX Solutions Australia's policy to replenish the funds in a segregated account from FX Solutions Australia's own funds if there is a deficit in a segregated account because a Client has defaulted.

Should there be a deficit in the segregated accounts and in the unlikely event FX Solutions Australia became insolvent before it replenished the funds, Clients will be unsecured creditors with respect to the balance of our obligations.

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## What is an unsecured creditor?

In the event of the insolvency of FX Solutions Australia, as an unsecured creditor of FX Solutions Australia, Clients will need to submit to the liquidator proof of the balance of FX Solutions Australia's obligations, as evidenced by their Account statements. The liquidator then assesses all proofs of debts to determine to which creditors the company's assets may be distributed, and what order of priority will be taken into account.

## 2.5 Counterparty Risk

FX Solutions Australia conducts over-the-counter transactions with its counterparties to hedge the market risk arising from Client transactions. Consequently, Clients are indirectly exposed to the credit and counterparty risk of FX Solutions Australia's counterparties.

If the conditions of the business or assets of our counterparties deteriorate, then performance of the hedge transactions may be compromised.

**A copy of the latest financial statements of the issuer are available free of charge upon request.**

## 2.6 Operational Risks

FX Solutions Products are typically traded over the internet. Clients are therefore exposed to the operational risks associated with conducting transactions electronically. This included but may not be limited to:

- The stability of the ITP;
- Reliability and stability of local and international communication connections;
- Reliability and stability of Clients' own personal computer or internet connection.

## 2.7 Third Party Trading Platform risk

We serve our clients through one of the following two electronic trading platforms – the Global Trading System (or GTS), which is our proprietary trading platform and the other is a third-party FX trading platform called Meta Trader 4.

Clients are warned that we do not endorse such third-party platforms and that there can be the following additional risks associated with using such third party platforms:

- we do not own the intellectual property in the third-party trading platform and so, this platform may or may not run in our datacenter, and may or may not be supported by our IT personnel and may or may not have an application program interface integrating this external third-party platform into our dealing systems;
- we do not have control over this platform and by trading on this platform you are exposed to the risks associated with the system, including, but not limited to, the communication infrastructure that connects us to the electronic trading system. This means that if there is any system failure or other interruption, orders either may not be executed according to your instructions or may not be executed at all; and
- if there is any system failure or other interruption, you may not be able to place or change orders or view your trading positions or market data; and
- because this other trading platform is provided by a third-party provider, to the extent not prohibited by law, we will not be liable for any losses or damages suffered or incurred from the use, operation, or performance of that electronic trading system. In addition, we will not be responsible or liable for any direct, indirect, punitive, incidental, special or consequential damages that arise for you from any fault, inaccuracy, omission, delay or any other failure in this third party electronic trading system.

## 2.8 Regulatory Risk

Changes in taxation and other laws, government, accounting, financial and regulatory policies may have a material effect on your dealings.

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## 2.9 Not a regulated market

FX Solutions Products are not traded on a licensed market. Therefore, some of the protections usually associated with licensed markets are not available when trading with us. For example, trading on the Australian Stock Exchange (ASX) generally has the benefit of a guarantee system known as the National Guarantee Fund which provides protection from fraud or misconduct by brokers in connection with certain ASX trades. Such guarantee funds do not apply to CFD trading.

### 2.10 The Customer Agreement

Under the Customer Agreement, FX Solutions Australia has certain discretionary powers. These include discretion not to accept orders, not to provide a quote or refuse to deal.

Clients should review the Customer Agreement carefully and, if necessary, seek legal advice.

### Circumstances in which FX Solutions Australia may close Client Open Positions

Clients should be aware that FX Solutions Australia has the right, whether with or without prior notice, to close out all or part of Client open positions, if any of the Events of Default or Force Majeure Events in the Customer Agreement occur or a Client fails to satisfy their margin obligations.

This includes the suspension or delisting of an Underlying Instrument from which an FX Solutions Product is derived. In such circumstances, although FX Solutions Australia shall attempt to provide Clients with 7 days notice, we are not obliged under the Customer Agreement to provide such notice.

### FX Solutions Australia's right to limit Open Positions

FX Solutions Australia has the right under the Customer Agreement to limit the size of a Client's open positions, whether on a net basis (difference between short positions and long positions) or gross basis (aggregate of short positions or long positions).

This may occur for example, because of some event in the Underlying Instrument from which the relevant FX Solutions Product is derived.

### FX Solutions Australia's right to provide a special market quotation

FX Solutions Australia has the right under the Customer Agreement to provide a special market quotation when, for example:

- the imposition of limits or special or unusual terms in the relevant Underlying Instrument;
- the aggregate orders at a particular price or range of prices exceeds the volume available for the Underlying Instrument;
- when FX Solutions Australia is unable to make prices in the relevant FX Solutions Product because it is unable to obtain information for the relevant Underlying Instrument for reasons beyond FX Solutions control.

FX Solutions Australia will not give written notice if it decides not to provide a special market quotation.

### FX Solutions Australia's right to refuse Trades

FX Solutions Australia has the right under the Customer Agreement to refuse any Trade or order for any reason. Circumstances in which FX Solutions Australia may decide to do so include:

- where FX Solutions Australia is, in its opinion, unable to maintain an orderly market in its Markets in respect of any one or more of the FX Solutions Products as a result of the occurrence of any act, omission or event (including any specific or general circumstance beyond FX Solutions Australia's control such as a natural disaster, corporate action, political or regulatory occurrences or upheaval, disruption to, communications, power or other infrastructure);
- the suspension, closure, liquidation or abandonment of any relevant market or Underlying Instrument;
- the imposition of limits or special or unusual terms in the relevant markets or Underlying Instrument;
- the excessive movement, volatility or loss of liquidity in the relevant markets or Underlying Instrument; or
- when FX Solutions Australia, in its opinion, considers it necessary for the protection of its rights under the Customer Agreement; or

- 
- when FX Solutions Australia considers that the Client may be in possession of "insider information" as defined by the laws of the relevant country.

Please refer to the Customer Agreement for the circumstances in which FX Solutions Australia may exercise such rights.

## **2.11 Other Risks**

### **Banking Hours**

Due to the limited operating hours of the banking system FX Solutions Australia may not receive margin deposits immediately. Accordingly, Clients are advised to always maintain adequate funds in their trading Account to cover unforeseen adverse market movements.

### **Warning Regarding One-Click Dealing**

The ITP trading platform has the ability, when enabled via the ITP by the client, to operate on a single click. Clients are warned that once an instruction to buy or sell is passed they will not be provided with an opportunity to check the details of the instruction before it is sent to FX Solutions Australia. Consequently, Clients should take additional care.

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## 3. About FX Solutions Australia and its Products

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### Who is FX Solutions Australia?

FX Solutions Australia is a registered business name of City Index Australia Pty Ltd a member of the City Index Group of companies. City Index has been providing traders access to local and international financial markets since 1983. Now a global operator with a solid reputation that extends to include FX and spread betting markets, City Index is focusing on expanding its Asia Pacific presence.

With local knowledge and understanding of Client needs FX Solutions Australia has the best people developing products, platform and service. Offices in Sydney, Singapore and Shanghai support Clients trading both FX and CFDs with local sales, dealing and Client service specialists.

In 2006, City Index acquired IFX Markets Limited, including its Australian and Shanghai operations. And in 2008 the group acquired FX Solutions LLC which included the GTS foreign exchange trading platform.

As part of the IPGL Group, City Index is privately owned by staff and investors. City Index offers its products under the City Index, Finspreads, FX Solutions and FX Solutions Australia brands across Europe, Asia and North America.

### 3.1 FX Solutions Products

Offering a range of Margin Foreign Exchange contracts and Contracts-for-Difference (CFD), FX Solutions clients can trade

- Foreign Exchange,
- Bullion; and
- Equity Index CFD's.

### Software and market information

When you open an account with FX Solutions Australia you will receive access to either the proprietary trading platform Global Trading System (**GTS**) or the 3<sup>rd</sup>-party MetaTrader platform.

The platforms not only give you access to prices and trading opportunities, but also a range of additional information sources. GTS allows you to place orders, view charts relating to market movements, gain access to your Account

statements and monitor a real-time news service for any market moving stories.

A monthly fee may be charged by FX Solutions Australia for use of it's or a third party provider's platform, software or source of information. Details of any such charge are set out in Section 10.

### 3.2 Prices on the dealing platform

The real time dealing prices provided on the dealing platform are the prices that FX Solutions Australia is offering for FX Solutions Products. FX Solutions prices may not be the same as those in the Underlying Instrument on which the FX Solutions Products are based. Furthermore, the bid-offer spreads in FX Solutions Products may not be the same as those available in the Underlying Instrument.

Accordingly, it is for you to decide whether you wish to deal in the FX Solutions Product or in the actual Underlying Instrument.

FX Solutions Australia does not provide Clients with access to prices in the Underlying Instrument or market depth information through its dealing platform. You may obtain real time prices in the Underlying Instrument by accessing any of a number of services that provide investors with real time prices from those markets. In particular, information vendors offer real time and delayed prices from the Underlying Instruments, whilst exchanges usually offer delayed prices at no cost. Finally, the financial media also provides opening and closing prices.

### 3.3 Trading hours

Trading hours for FX Solutions Products differ. The trading hours for each instrument are available from our Client Services team.

Please note we are not obliged to quote prices or accept Trades, orders or instructions in respect of any FX Solutions Product:

- on a public holiday in any jurisdiction which, in our reasonable opinion, affects the relevant Underlying Instruments;
- to which Limited Hours Trading applies during any time when the relevant exchange is closed for business.

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### **3.4 How does FX Solutions Australia determine the prices for its products?**

FX Solutions Australia prices for its products are based on the price of the Underlying Instrument and, in some circumstances, the application of a spread which is applied at our discretion.

FX Solutions Australia's prices for Index CFD's are derived from the last traded price in the underlying futures contracts plus a spread with the addition or subtraction of a fair value to account for interest and dividend expectations. The bid/offer spread can be adjusted by FX Solutions Australia to accommodate market liquidity.

FX Solutions Australia's prices for Margin Foreign Exchange and Bullion are derived from the best bids/offers from a number of bank and institutional feeds. FX Solutions Australia shows a fixed spread based on these feeds. FX Solutions Australia reserves the right to adjust the spread with changes in liquidity and volatility in the Underlying Instruments.

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## 4. Getting Started

### 4.1 Opening an Account

Your dealings in FX Solutions Products on and from the date of this document will be undertaken in accordance with the following documents that you will have received from a FX Solutions Australia representative or downloaded from our website:

- the Customer Agreement (including any Schedules) (as amended from time to time);
- an Application Form; and
- the Product Disclosure Statement

These documents are all available at [www.fx solutions.com.au](http://www.fx solutions.com.au)

### Acknowledgments

By signing and returning or submitting electronically an Application Form you will be deemed to have agreed to the following items. In addition, after having commenced trading with FX Solutions Australia you will be deemed to have agreed to the following items if you continue trading after receiving a revised Product Disclosure Statement and/or Customer Agreement:

- that you are aware that investing in derivatives carries a high level of risk to capital and due to the potential volatility and fluctuations in value, you may not get back the amount of your original investment and in certain circumstances you may be liable to pay a far greater sum, with potential losses being higher than all the monies you have paid to FX Solutions Australia;
- that you have given consideration to your objectives, financial situation and needs and the significant risks of loss which accompany the prospects of profit associated with dealing in FX Solutions Products and have formed the opinion that dealing in FX Solutions Products are suitable for your purposes;
- that you were advised by FX Solutions Australia to obtain independent legal and financial advice concerning this PDS and the Customer Agreement;

- that you have obtained appropriate and sufficient advice concerning the terms of this PDS and the Customer Agreement;
- that you consent to FX Solutions Australia collecting, maintaining, using and disclosing personal information about you and provided by you or by another person as described in Section 14;
- that you received or downloaded this PDS with the Customer Agreement, and read and understood them;
- that you agree that FX Solutions Australia will provide its services to you on the basis of the Customer Agreement and in particular that you will receive documents such as trade confirmations, daily statements in electronic form.

### 4.2 AML and CTF Regulation

Following the recent implementation of the AML/CTF Act in Australia, FX Solutions Australia is obliged to conduct a Client identification process prior to opening an Account. This procedure will involve collecting Client information such as your name, address and date of birth and verifying this information.

Throughout the course of your relationship with us, there may be times where there is a need to collect additional information from you, pursuant to FX Solutions Australia's AML/CTF obligations.

In circumstances where it is reasonable for FX Solutions Australia to suspect that there may be a breach of applicable laws or regulations, FX Solutions Australia may decide to refuse any transactions on your account or to freeze your funds. If this occurs, FX Solutions Australia will not be held liable for any losses you may incur as a result of such actions.

### 4.3 Depositing funds

Clients may deposit funds through online banking facilities or use of a credit card. All funds must be cleared funds on your account before they are made available for you to use in dealing in FX Solutions Products.

We do not accept cash as a deposit or to meet any of your ongoing margin obligations.

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It is your responsibility to ensure that monies sent to FX Solutions Australia are correctly designated in all respects, including, where applicable, that the monies are by way of margin and to which Account they should be applied. Payments by you under the Customer Agreement must be free of any withholding tax or deduction.

You must ensure that any transfer made to FX Solutions Australia is from an account in your name and not from that of a third party.

FX Solutions Australia may in its absolute discretion, without creating an obligation to do so, return any transfer of monies from, a third party account, unless FX Solutions Australia has previously agreed in writing to accept such a transfer.

FX Solutions Australia will not accept or bear any liability or responsibility whatsoever for any loss incurred by you as a result of, or arising out of, or in connection with, FX Solutions Australia returning any transfer of monies from a third party account including any loss incurred by you because you are subsequently in default of your obligations under the Customer Agreement.

#### **4.4 Minimum initial account balance**

There is usually a minimum account opening deposit of USD250 or its currency equivalent. This may be varied at FX Solutions Australia's absolute discretion from time to time.

#### **4.5 Interest on Account balances**

FX Solutions Australia does not pay interest on credit balances. However, we may charge accounts in arrears debit interest.

Refer to Section 10.9 for further information.

#### **4.6 How do you deal in FX Solutions Products?**

FX Solutions Australia's dealing platform on the internet provides Clients with the capability to execute deals simply by clicking on FX Solutions Australia's latest dealing price. There is also a full on-line back office and position keeping service.

FX Solutions Australia will not accept orders or instructions from you through email or using the on-line chat facility.

#### **4.7 Minimum deal sizes**

The minimum deal sizes for FX Solutions Australia's Products are set out in Section 10.3.

FX Solutions may vary the minimum deal size for an FX Solutions Product.

#### **4.8 Margins**

Margin payments are required to be paid when dealing in FX Solutions Products. The Margin Requirement is the deposit that must be made when buying or selling FX Solutions Products. These margins are generally between 1% and 5% of the notional value of the transaction (Refer Section 10.5).

In addition, Clients are required to maintain deposits equal to or greater than losses incurred.

#### **4.9 Open Positions at close of market**

An open position must be closed by the Close of Business which is 17:00 New York; 22:00 GMT (09:00 Australian Summer or during US Summer Time 21:00 GMT and 07:00 AEST). If you do not close your position before the Close of Business then it will become an overnight position and your position will be rolled automatically unless FX Solutions Australia exercises any rights to close the position.

If you find that you have insufficient margin then FX Solutions Australia reserves the right to close your position if your Margin Level falls below the Margin Close Out Level.

#### **4.10 Account administration**

Every day, provided you have dealt or have an open position, we will produce electronically a daily confirmation of your dealings and open positions.

FXSolutions will send Clients an email to the email address held on record advising that activity has occurred on your account. The email contains a link to the ITP in order to product the statement.

***It is very important that you check all the contents of the statements in detail and contact us within 48 hours if you disagree with any of their contents.***

It is very important that you are aware of your Net Equity balance, the Margin Requirement for your open position(s), and the Trading Resource

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available. The Margin Level will indicate to you whether you are approaching the Margin Close Out Level. It will also indicate the excess funds available, if any, that you may either utilise to increase your open positions or withdraw.

### **Queries about your Account**

All queries should be made to our Client Services team by phone or email.

### **Currency balances**

Your Account is maintained in the currency you have nominated, that is, the Base Currency. All your profits, losses and financing credits or debits in relation to your trading are converted in real time to your Account Base Currency. Upon closing a position denominated in a foreign currency we will convert that foreign currency to your Base Currency and debit or credit your Balance.

### **Delivery of statements and confirmations electronically**

Any time you execute a transaction with FX Solutions Australia, an order confirmation will appear on the dealing platform. Daily statements will also be created and you will be notified electronically that a statement is available through the trading platform.

### **Real-time access through GTS**

When using GTS you may view all your positions at any point in real-time, as well as all deals, orders, pending orders and statements. Under the Customer Agreement you agree to use the ITP to:

- confirm all dealings undertaken with FX Solutions Australia; and
- to monitor your obligations to FX Solutions Australia.

Under the Customer Agreement you also agree that FX Solutions Australia may make documents available to you, updating the Product Disclosure Statement, Customer Agreement and Fees and Charges by:

- sending them to you by email or other electronic means;
- posting them on FX Solutions Australia's website;
- sending to you an electronic link to the relevant document by email or other electronic means; or

- sending them as otherwise permitted by law.

### **Administration charges**

FX Solutions Australia will charge you for the following administration services:

- duplicate statements;
- transcripts of taped conversations;
- audit certificates; and
- debt collection.

The charges for such services are detailed in Section 10.

No charge is levied for duplicate statements requested and forwarded electronically.

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## 5. Equity Index Contracts for Difference

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### 5.1 What are Index CFDs?

Contracts for Difference allow you to receive most of the benefits of owning a security without having to actually own the security. All CFD open positions are valued constantly against the closing price and when positions are closed the profit or loss is credited or debited to your Account.

FX Solutions Australia offers CFDs on the indices of major countries stock markets.

Buying and selling an Index CFD is similar to buying the Underlying Instrument where only the difference representing the profit or loss on the transaction is exchanged between the Client and the CFD provider.

Your open positions are revalued constantly and profits or losses are credited / debited to your Account only on closed positions. Unrealised profits and losses are shown displayed on your daily statement. Adjustments relating to corporate actions, such as dividends with respect of the underlying security are also applied to your Account should they occur.

#### Adjustments for Dividends & Taxes

Corporate actions and Dividends are reflected in the price of an Index CFD. Where taxes on dividends or withholding taxes apply in the physical market, these are similarly applied to a CFD.

If Clients hold open CFD positions when a Dividend is paid by a listed company their account will be adjusted in cash to reflect that Dividend.

#### Timing of adjustments

The Customer Agreement specifies the time at which FX Solutions Australia will adjust Client accounts for Cash Dividends declared in respect of an underlying security relating to an Index CFD. Refer to the relevant section of the Customer Agreement.

#### Index CFDs

Where a Cash Dividend is declared on a share which is a member of Index CFD, the adjustment for the Cash Dividend will be in proportion to the weighting that the relevant company's share holds within the Index.

Any adjustment in respect of Index CFDs will not take into account Imputation Credits.

The weighting that a company's share has within an Index CFD is in accordance with the relative market capitalisations of all companies within the Index.

#### Long Index CFD position

If you have a long Share CFD position your Account will be credited with an amount equal to the net amount of the Cash Dividend less 30% representing an adjustment for all taxes on the underlying security or securities.

The reference to Cash Dividend is to the cash dividend or distribution declared. Accordingly, your Account is not adjusted for any Imputation Credits attached to a dividend.

#### Short Index CFD position

If you have a short Share CFD position your Account may be debited for the Grossed-up Dividend.

### 5.2 Financing fees

Index CFD positions carried overnight will incur Financing Fees calculated on the total notional value of the position at the relevant FX Solutions Financing Rate. If you are long a CFD you may pay a Financing Fee to FX Solutions, whilst if you are short you may receive a Financing Fee from FX Solutions at the relevant FX Solutions Financing Rate. The Financing Rates are set out in Section 10.5.

You should note that FX Solutions Australia may change the Financing Rates from time to time and that you will receive a notice in accordance with the Customer Agreement.

### 5.3 Transaction Fees

FX Solutions does not charge transaction fees on Index CFDs.

Any other applicable Fees are outlined in Section 10.

You should note that FX Solutions may change its Fee structure from time to time and that you will receive a notice in accordance with the Customer Agreement.

## 5.4 Index CFD Prices

Refer to Section 3.4 for a description of how CFD prices are determined.

## 5.5 How to deal in Index CFDs

### • **"Going long" and making a profit**

You want to buy 10 WALL STREET Index CFD contracts with a view the Dow will increase in value. WALL STREET Index CFDs are trading at (bid/offer) 10,411 / 10,416.

#### Opening Buy:

You buy 10 WALL STREET index CFDs @ 10,416.

You decide to close your position by pressing the close button for the full amount of the trade, when WALL STREET Index CFDs are trading at (bid/offer) 10,466/10,471.

#### Closing Sell:

You sell 10 WALL STREET Index CFDs @ 10,466.

#### Profit/loss Calculation:

(Sell Price - Purchase Price) x Quantity = Profit / Loss

$(10,466 - 10,416) \times 10 = \text{USD\$}500 \text{ Profit}$

### • **"Going long" and incurring a loss**

You want to buy 10 WALL STREET Index CFD contracts with a view the Dow will increase in value. WALL STREET index CFDs are trading at (bid/offer) 10,411/10,416.

#### Opening Buy:

You buy 10 WALL STREET Index CFDs @ 10,416.

You decide to close your position by pressing the close button for the full amount of the trade, when WALL STREET

Index CFDs are trading at (bid/offer) 10,366/10,371.

#### Closing Sell:

You sell 10 WALL STREET Index CFDs @ 10,366.

#### Profit/loss Calculation:

(Sell Price - Purchase Price) x Quantity = Profit / Loss

$(10,366 - 10,416) \times 10 = \text{USD\$}500 \text{ Loss}$

### • **"Going short" and making a profit**

You want to sell 10 WALL STREET Index CFDs with a view the Dow will decrease in value. WALL STREET CFDs are trading at (bid/offer) 10,411/10,416.

#### Opening sell:

You sell 10 US 30 Index CFDs @ 10,411.

You decide to close your position by pressing the close button for the full amount of the trade, when WALL STREET Index CFDs are trading at (bid/offer) 10,356/10,361.

#### Closing buy:

You buy 10 WALL STREET CFD @ 10,361.

#### Profit/Loss Calculation:

(Sell Price - Purchase Price) x Quantity = Profit/Loss

$(10,411 - 10,361) \times 10 = \text{USD\$}500 \text{ Profit}$

### • **"Going short" and incurring a loss**

You want to sell 10 WALL STREET Index CFDs with a view the Dow Jones Industrial Average (DJIA) will decrease in value. WALL STREET CFDs are trading at (bid/offer) 10,411/10,416.

#### Opening sell:

You sell 10 US 30 Index CFDs @ 10,411.

You decide to close your position by pressing the close button for the full amount of the trade, when WALL STREET Index CFDs are trading at (bid/offer) 10,456/10,461.

#### Closing buy:

You buy 10 WALL STREET CFD @ 10,461.

#### Profit/Loss Calculation:

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(Sell Price - Purchase Price) x Quantity = Profit/Loss

(10,411 - 10,461) x 10 = USD\$500 Loss

- ***Financing Fee you may receive or pay when Index CFDs are rolled over at Close of Business***

If you hold your long Index CFD position overnight and do not close it before the Close of Business, you may incur a

Financing Fee at the Financing Rate, which would reduce your profit or increase your loss. If you hold your short Index CFD position overnight and do not close it before the Close of Business, you may receive a Financing Fee, which would increase your profit or reduce your loss.

- ***Profits and Losses***

All profits and losses are credited to your Account in your Base Currency.

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## 6. Bullion Contracts for Difference

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### 6.1 How to deal in Bullion CFDs

- **"Going Long" and making a profit or loss**

You believe the price of gold is going to rise and decide to buy 12 contracts of Gold at USD 1,100.00. The position is kept open for 21 days. Each contract represents 1 ounce of Gold and is priced in US Dollars.

#### *Opening Buy*

You buy 12 contracts at U\$ 1,100.0 per ounce.

The initial margin for this trade is:

$$(12 \times \text{USD}1,100) \times 0.5\% = \text{USD}66$$

#### Profit Scenario

The price of Gold rises. FX Solutions is now quoting 1,150.0 / 1,150.6 You sell 12 contracts at U\$ 1,150.0

$$\text{Profit} = (1,150.0 - 1,100.0) \times 12 = \text{US}\$600$$

#### Loss Scenario

The price of Gold falls. FX Solutions is now quoting 1,050.0 / 1,050.6 Stephen sells 12 contracts at U\$ 1,050.0

$$\text{Loss} = (1,050.0 - 1,100.0) \times 12 = - \text{US}\$600$$

- **"Going Short" and making a profit or loss**

You believe the price of gold is going to fall. He opens by selling 14 Gold CFD contracts at USD1,100 which he keeps open for 21 days.

#### *Opening Sell*

You sell 14 contracts at 1,100.0.

The initial margin for this trade is:

$$(14 \times \text{USD}1,100) \times 0.5\% = \text{USD}77$$

#### Profit Scenario

The price of Gold falls. FX Solutions is now quoting 1,049.4 / 1,050.0 You buy 14 contracts at U\$ 1,050.0

$$\text{Profit} = (1,100.0 - 1,050.0) \times 14 = \text{US}\$700$$

#### Loss Scenario

The price of Gold rises. FX Solutions is now quoting 1,149.6 / 1,115.0 You buy 14 contracts at U\$1,150.0

$$\text{Loss} = (1,100.0 - 1,150.0) \times 14 = - \text{US}\$700$$

### 6.2 Rolling over Bullion CFDs

Bullion CFDs continue to roll from the current spot date to the next spot date unless closed by clients.

### 6.3 Financing Fee you may receive or pay when FX CFDs are rolled over

Bullion positions that are rolled over each day will result in either paying or receiving a cash amount equal to the relative difference in interest rates and Bullion yield rates for the number of days rolled.

The Rollover is a varying rate dependent on the Bullion, the applicable rate in the interbank markets according to the period of rollover, the size of the position and the FX Solutions spread that is applied at our discretion.

The interbank rate is based on the differential between the Bullion yield and US interest rates.

For example, if you have a long Gold position and do not close it before New York Close and Gold Yield rates are higher than USD interest rates then your account will be credited. This is because you are holding the higher yielding asset. However, if the USD interest rate is higher then your account will be debited if you hold the position over New York Close.

### 6.4 Profits and Losses

All profits and losses in respect of Bullion are denominated in USD and will be credited or debited, as the case may be, to your Account in your Base Currency.

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## 7. Margin Foreign Exchange

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### 7.1 Dealing Foreign Exchange

Foreign exchange is the simultaneous purchase and sale of one currency for another between two parties at an agreed rate.

### 7.2 How to deal in Margin FX with FX Solutions

A Foreign exchange quote, e.g. AUD/USD "0.8510/14" represents the bid/offer spread in this case for AUD/USD. The rate of 0.8514 is the rate at which you can buy AUD against the US dollar. The rate of 0.8510 is the rate at which you can sell AUD against the US dollar.

- **"Going long" and making a profit**

You wish to speculate on AUD/USD believing that the Australian dollar will strengthen against the US dollar. FX Solutions is quoting AUD/USD 0.8510/14.

First you need to purchase AUD.

Opening Buy:

You buy AUD\$100,000 @ 0.8514

The Australian dollar appreciates against the US dollar and you wish to close the position. FX Solutions is now quoting 0.8590 / 94

Closing Sell:

You sell AUD\$100,000 @ 0.8590

Profit/loss Calculation:

(Sell Price - Purchase Price) x Quantity = Profit/Loss

$(0.8590 - 0.8514) \times 100,000 = \text{USD}\$760 \text{ Profit}$

- **"Going long and making a loss"**

You wish to speculate on the AUD/USD believing that the Australian dollar will strengthen against the USD. FX Solutions is quoting 0.8510 / 14.

Opening buy:

You buy AUD \$100,000 @ 0.8514

Your view is wrong and the Australian dollar depreciates against the US dollar. You now wish to close the position. FX Solutions is now quoting 0.8438 / 42.

Closing Sell:

You sell AUD\$100,000 @ 0.8438

Profit/Loss Calculation:

(Sell price - buy price) x Quantity = Profit/Loss

$(0.8438 - 0.8514) \times 100,000 = \text{USD}\$760 \text{ Loss}$

- **"Going short" and making a profit**

You wish to speculate on AUD/USD believing that the Australian dollar will weaken against the US Dollar. First you need to sell AUD.

FX Solutions is quoting AUD / USD 0.8590 / 94.

Opening Sell:

You sell AUD\$100,000 @ 0.8590

The Australian dollar depreciates against the US dollar and you wish to close the position. FX Solutions is now quoting AUD/USD 0.8510/14.

Closing Buy:

You buy AUD\$100,000 @ 0.8514

Profit/loss Calculation:

(Sell Price - Purchase Price) x Quantity = Profit/Loss

$(0.8590 - 0.8514) \times 100,000 = \text{USD}\$760 \text{ Profit}$

- **"Going short and making a loss"**

You wish to speculate on the AUD/USD believing that the Australian dollar will depreciate against the USD. FX Solutions is quoting 0.8510 / 14.

First you need to sell AUD.

Opening sell:

You sell AUD\$100,000 @ 0.8510

Your view is wrong and the Australian dollar appreciates against the US dollar. You now wish to close the position. FX Solutions is quoting 0.8582 / 86.

Closing Buy:

You buy AUD\$100,000 at 0.8586

Profit/Loss Calculation:

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(Sell price - buy price) x Quantity = Profit/Loss

$(0.8510 - 0.8586) \times 100,000 = \text{USD}\$760 \text{ Loss}$

### **7.3 Rollovers you may receive or pay when FX positions are rolled over**

FX positions that are rolled over each day will result in either paying or receiving a cash amount equal to the relative difference in interest rates between the two currencies for the number of days rolled.

The Rollover for FX varies depending on the currency pair, the applicable rate in the interbank markets according to the period of rollover, the size of the position and the FX Solutions spread that is applied at our discretion.

The interbank rate is based on the interest rate differential between the two applicable currencies

plus any spread FX Solutions may add. For example, if you have a long AUD/USD position and do not close it before New York Close and interest rates are higher in AUD than in USD then your account may be credited. This is because you are holding the higher yielding currency. However, if the USD interest rate is higher than AUD then your account will be debited if you hold the position over New York Close.

### **7.4 Transaction Fees**

FX Solutions does not charge transaction fees on Margin Foreign Exchange.

Any other applicable Fees are outlined in Section 10.

### **7.5 FX CFD prices**

Refer to Section 3.4 for a description of how FX prices are determined.

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## 8. Margin Obligations

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### 8.1 What is Margin?

Margin generally refers to the deposit requirements to first establish and then to maintain open positions in our Products.

### 8.2 Margin Requirement

Margin Requirement is the deposit required to open a position on an FX Solutions Product with us and must be maintained as long as the position is open.

- **FX & Bullion CFDs**

FX Solutions Margin Requirements for foreign exchange trading will vary according to the size of the transaction and the currencies you will be dealing in.

- **Index CFDs**

The Margin Requirement rate on Index CFDs is generally between 1-5%. For example, with an AUD\$10,000 initial deposit you can deal in up to AUD\$1,000,000 notional value on Indices.

### 8.3 Net Equity

The Net Equity of your Account will fluctuate according to the money you have deposited in your Account, the dealings conducted on your Account and positions held.

During the trading day your Account balance(s), including all open positions, are valued against the prevailing price. Your Net Equity balance is constantly calculated in line with price movements.

The Trading Resource is used to assess your available margin against current positions, any new positions you may wish to take and whether there is a requirement for additional margin deposits on your Account.

Once a position is opened, the Margin Requirement must always be maintained for the open position(s). It is your responsibility to ensure that your Account is sufficiently funded at all times, especially during volatile trading periods.

To assist monitoring your Trading Resources, we summarise your Net Equity together with your

Margin Requirements in your daily statement and online in the ITP.

You will only be allowed to deal and maintain open positions on the basis of cleared funds on your Account, not on promised funds or funds in transit.

### 8.4 Shortage in Equity

A shortage in equity occurs when your Trading Resources fall below the required Total Margin.

When there is a shortfall in your Trading Resources you will not be allowed to deal in FX Solutions Products, except to reduce your open positions until such time as your Trading Resources are positive. This is in addition to all other rights FX Solutions has when there is such a shortfall in your Account equity.

### 8.5 Margin Level

Customers must maintain sufficient equity (Cash Balance and any unrealized profits or losses) in their account at all times to satisfy the margin requirement on any open position.

### 8.6 Margin Close Out

If the equity in the Account falls below the Margin requirement for open positions, FX Solutions has the right (but not the obligation) to close all positions. This is referred to as Margin Close Out.

Once the Margin Close Out level has been triggered, FX Solutions may close all of your open positions and you may be restricted from dealing on your Account until your Account balance is replenished.

FX Solutions does not represent or warrant, or give any assurance that your open positions will be closed out at any particular level.

Furthermore, you will be liable for those losses, although FX Solutions had the right to close out your position at a time before you incurred those additional losses. Any such loss may result in you losing all monies that you have deposited in your account, and in addition require you to pay further funds representing losses and other fees on your open and closed positions. Refer to the Section entitled Risks for a broader discussion.

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It is your responsibility to ensure that you do not exceed your margin obligations and total exposure to FX Solutions at all times, and not rely on FX Solutions to close out your positions should they be nearing, or exceed, the Margin Close Out levels. You may do this by reviewing your Account details on the ITP trading platform. You may also contact our Client Services Department should you have any queries about your current margin obligations.

You should refer to the Customer Agreement for the consequences arising from non-payment of Margin and changes in Margin Requirements.

### **8.7 Margin Close Out Process**

If your account reaches or falls below the Margin Close Out Level, this is classed as an Event of Default under our Customer Agreement and FX Solutions may at its discretion, among other things, close out all or any of your open positions immediately and without notice.

We will close your open positions at Our Price prevailing at the time when your open Positions are closed.

The Margin Close Out Level is designed to help limit the extent of your trading losses. We do not however guarantee that your Open Positions will be closed when the Margin Level for your Account reaches the Margin Close Out Level or that your losses will be limited to the amount of funds you have deposited in your Account.

### **8.8 Selecting Account Size**

The default account setting on the GTS platform offers Margin FX contracts in units of 10,000 and leverage of 100:1.

Clients may select their own account setting for the contract size, leverage and lot size.

Changes to account settings, to contract size and lot size will not be reflected in open positions. Changes to Leverage will be reflected in Open Positions. For example, if the leverage is set to

100:1 a change to a leverage of 200:1 will reflect in open positions. If you have Open Positions you will not be able to lower your Leverage until all positions are closed.

### **8.9 Banking Hours**

Due to the limited operating hours of the banking system FX Solutions may not receive margin deposits immediately. Accordingly, Clients are advised to always maintain adequate funds in their FX Solutions Account to cover unforeseen adverse market movements.

### **8.10 Deposits**

Clients may currently fund in Australian and US Dollars via direct deposit or credit card. Remittance instructions are available on our website or from our Client Services team.

### **8.11 Fund withdrawals**

Funds may be withdrawn by making a withdrawal request to our Client Services Department. Withdrawals are obviously subject to you leaving enough funds in the Account to meet your current margin obligations and any minimum amount that FX Solutions requires Clients to hold in their account.

FX Solutions will not pay funds to any third party account.

### **8.12 Profits / losses**

Profits realised or unrealised increase your Net Equity and Trading Resources available for trading on your Account. You are able to withdraw realised profits if your Account shows a positive cash balance and you have sufficient funds remaining to ensure your cash balance is positive and your Net Equity is sufficient to cover your Total Margin requirement. Losses realised or unrealised as a result of your dealing activities decrease your Net Equity, and therefore the Trading Resources available for dealing in FX Solutions' Products or holding positions.

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## 9. Orders you can place

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### 9.1 How to open and close CFD positions

A position is opened by buying or selling CFDs:

- **BUYING** - To make a profit, you want the price of the underlying security, index or asset to rise.
- **SELLING** - To make a profit, you want the price of the underlying security, index or asset to fall.

A position is closed by you selecting the position you would like to close and selecting the Close button. Closing your position may result in a profit or loss being realised on your Account.

You may close part of an open position by changing the number of lots when you use the Close button.

### 9.2 Risk management

As the markets are constantly moving 24 hours a day, during the trading week it is good practice to place a 'stop-loss' on your open position. This allows you to control any potential losses should the market move against you.

There are also a number of other types of orders that you can place that facilitate risk management when dealing in FX Solutions' Products. By using these additional types of orders you have the ability to control potential profits as well as potential losses on your open positions.

#### **IMPORTANT NOTICE ABOUT THIS SECTION**

**When the Client requests one of the types of orders described in this section, FX Solutions has an absolute discretion whether or not to accept and execute any such request.**

### 9.3 Stop-loss orders

A Stop-loss order is an order placed to limit the loss on an open position:

- ***Index CFD Example***

You have bought (long) 10 CFD contacts on the AUSTRALIA200 at 3,100. You place a Stop-loss order to sell at 3,000, thus limiting your losses if the AUSTRALIA200 falls to 3000 or below.

Stop-loss orders must be placed a minimum distance from the current CFD Markets Bid and Offer prices as determined by FX Solutions from time to time in its absolute discretion.

When a Stop-loss order is triggered it becomes a market order. Stop-loss orders placed on share CFDs, for example, will be triggered if the Underlying Instrument trades at prices equal to or inferior to the price at which you have placed your Stop-loss order. At this time, FX Solutions will execute a Client's instruction to either buy or sell the number of contracts at the prevailing market price. Stop-loss orders are always subject to there being sufficient liquidity in the Underlying Instrument. For this reason, your Stop-loss orders may be filled at prices inferior to those at which you have placed your Stop-loss order.

In the event of a disruption or heavy trading activity, the execution price of a triggered stop-loss order may not be able to be determined until an orderly market is available. In these circumstances, the order will be pending and will not be able to be cancelled. Once a price can be reasonably determined, FX Solutions will complete the execution. In an extreme circumstance, such as a market suspension, FX Solutions may not be able to determine a price. Refer to the section titled Risk for more information.

Stop-loss orders placed on all CFDs may be filled if the price published for the relevant CFD by FX Solutions is equal to or inferior to the price at which you have placed your Stop-loss order. Your Stop-loss orders may be filled at prices inferior to those at which you have placed your Stop-loss order.

**Accordingly, the placing of Stop-loss orders may not always limit your losses to the amounts that you may want.**

### 9.4 Stop-entry orders

A Stop-entry order is an order placed to open a new position or increase an existing position at a price which is inferior to the current market price.

Note that stop-entry orders must be placed a minimum distance from the prevailing Our Price, which is determined at FX Solutions discretion.

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## 9.5 Limit orders

A Limit order is used to place either a closing order to take a profit on an open position at a predefined rate set by you, or as an opening trade at a more favourable rate than the current price for that instrument.

- ***As an order to take a profit on an open position.***

### Index CFD Example

You have bought (long) 10 CFD contracts on the AUSTRALIA200 at an opening price of 3,100. You believe the value of the AUSTRALIA200 index CFD will strengthen to 3,500. You place a Limit order to sell 10 CFD contracts on the AUSTRALIA200 at 3,500. If the AUSTRALIA200 rises to 3500 bid or above your order will be filled provided there is sufficient liquidity in the Underlying Instrument.

- ***To open a new position when the order rate is better than the prevailing market rate for that instrument.***

### Index CFD Example

The AUSTRALIA200 index CFD is currently quoted at 3,100 / 3,102. You place a buy Limit order to open a position at 3,000. Should the market become offered at that level your order will be filled provided there is sufficient liquidity in the Underlying Instrument.

## 9.6 GTC (Good 'Til Cancelled) orders

Good 'til Cancelled orders are available on all FX Solutions Products. Conditional orders (that is, Limits / Stops) can be placed Good 'Til Cancelled. A GTC will expire when it is either executed according to the terms of that order, or is cancelled by you.

## 9.7 If Done or Contingent Orders

This is the combination of two orders, with the second order only becoming active should the first order be executed. For example, you may place a Limit or a Stop order contingent on another Limit or Stop order being executed.

- ***FX CFD Example***

You place a buy Limit order at 0.8530 on the AUD/USD to buy AUD with a contingent Stop-loss order at 0.8512. If Our Offer price reaches

0.8530 your buy Limit order will be executed and your contingent Stop-loss order at 0.8512 becomes an active pending order.

## 9.8 Cancelling Orders

If you close a position, you must cancel any related orders you have placed against that position. Failure to do so will mean that the order may be executed.

Orders "linked" or "tied" to cancelled orders will automatically be cancelled.

## 9.9 Dealing with your Orders

In most cases when the condition or event specified in your Order occurs it will be executed at or very close to the specified Order Price. However, please note that the price you receive at execution is not guaranteed. Our Price might not move in point or minimum tick increments. On occasions we may not quote prices or deal at intermediate price levels. This may be due to rapid price changes in the Underlying Instrument (called 'gapping'), for example following the release of financial statistics different from those expected or a some international political or terrorist event. In such a case, Our Price at the time of execution may be markedly different to your specified Order price.

If, when an Order is executed, the Quantity is less than our maximum Quantity for that particular Market, the Order will be executed at or near the specified Order price. However, if the Order is for a Quantity greater than our maximum Quantity, the price at which the Order is executed will depend on the liquidity in the external market for the Underlying Instrument and may therefore be executed at a different price.

Note that if you have placed multiple Orders in the same Market, with the same specified Order price and with an aggregate Quantity greater than our maximum Quantity, there is no guarantee that they will all be executed at the same price. The execution prices will depend on the liquidity in the external market for the Underlying Instrument and the execution of the first Trade may affect the liquidity available for the execution of the second and any subsequent Orders.

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## 10. Rates & Charges

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All prices quoted are inclusive of our charges other than administration fees, exchange fees and financing or rollovers, all of which are discussed below.

### 10.1 Transaction Fees

**FX Solutions does not charge Transaction Fees on FX & Bullion or Index CFDs.**

### 10.2 Exchange Fees

#### ASX Fees

If you login to the ITP software or if you deal in Australian Index CFDs, you will be charged an exchange fee per calendar month plus GST of 10%. The exchange fee covers fees that FX Solutions Australia must pay to the Australian Stock Exchange for use of real-time ASX prices in the online trading platform.

The following table shows the current ASX fees:

|                           |                                |
|---------------------------|--------------------------------|
| Non-Professional Investor | A\$37.50+10% GST<br>(A\$41.25) |
| Professional Investor     | A\$45.00+10% GST<br>(A\$49.50) |

A non-professional investor is defined by the ASX to be any person who accesses the real-time prices for their personal and private use. Clients will be treated as non professional investors unless they are notified otherwise by FX Solutions in writing. The exchange fee is subject to change and is dependent upon the method and rate by which FX Solutions is charged by the ASX.

The amount of the exchange fee will be debited from your account, monthly in arrears, if you have logged in to the ITP software or dealt in Australian Share CFDs in the calendar month.

#### Other Underlying Instruments

Our other CFDs currently do not attract a fee from any operator of other Underlying Instruments. In the event that trading our CFDs incurs a fee from an operator of another Underlying Instrument, we will not charge you for these fees before advising you.

### 10.3 Minimum Deal Sizes

The Minimum deal size varies depending on the product and is set out in the tables below.

The minimum deal size is expressed in terms of the minimum number of contracts that can be traded in each transaction.

For Index CFDs, the value of the transaction is expressed as the number of contracts multiplied by the price of each contract.

In the case of Margin FX, the value of the transaction is calculated by calculating contract size multiplied by the number of contracts.

### 10.4 Bid Offer Spread and Tick Value

Because of the difference between the buying and selling price, the relevant price must move favourably before you can break even.

All of FX Solutions Products have fixed bid-offer spreads, however, the tick value of each product varies depending on the notional value of the contract traded and the currency of denomination.

The tables below detail the minimum tick value for a variety of FX Solutions Products.

### 10.5 Margin Requirement & Financing Fees

Clients are advised that Margin Requirements may vary depending on individual circumstances. The default Margins Requirements are set out in summary in the tables below.

Clients are reminded that Margin Requirements can change at short notice due to an increase in volatility.

#### Financing Fees

If you hold a Long CFD position in an Index CFD overnight you pay a Daily Financing Fee to FX Solutions.

If you hold a Short CFD position in an Index CFD overnight you may be paid a Daily Financing Fee by FX Solutions.

The Daily Financing Fee is determined by adding or subtracting the Financing Spread from the Reference Interest Rate.

Daily Financing Fee is charged on a daily basis and is calculated on a 360 or 365 day year depending on currency denomination of the product.

- For Index CFDs, the Financing Rate is the Reference Interest Rate plus or minus the Financing Spread depending on whether you are long or short. The Financing Spread is specified in the table below.

The Reference Interest Rate is determined by FX Solutions for the respective currencies. FX Solutions may change the Reference Interest Rate and Financing Spread for any currency at any time.

Please note that the minimum Daily Financing Fee is zero. That is, where the Reference Interest Rate for a currency is less than the Financing Spread deducted, no Daily Financing Fee will be credited to your Account.

The tables below set out FX Solutions default Financing Spreads.

**Example:** For example, holding one (1) Long Wall Street Index CFD contract at a price of 10,500 the Long Financing Rate is the Fed Discount Rate +3%.

Holding the position overnight for 2 days results in the following charge:

$$\text{Financing Rate} = \text{FED} + 3\% = 3.75\%$$

$$\text{Daily Financing Fee} = \text{USD}10,500 \times (0.095/360) \times 2 = \text{USD}5.54$$

### How is the Daily Financing Fee charged?

The Daily Financing Fee is charged or paid to Client accounts at the close of business daily. The Daily Financing Fee is calculated in the currency in which the instrument is denominated and charged in the Base Currency. The Daily Financing Fee and the applicable interest rate are detailed on the daily statements.

### FX Rollovers

If you are the Long Party in a high yielding currency position overnight you may receive a benefit.

If you are the Short Party in a high yielding currency position overnight you will be charged.

These rates are calculated on an ongoing basis by FX Solutions and any charge or benefit will be made by adjusting the carrying exchange rate of your open position.

The adjustment varies dependent on the currency pair, the applicable rate in the interbank markets according to the period of rollover, the size of the position and the FX Solutions spread that is applied.

## Tables

|         | Margin Requirement Percentage | Rollover Rates  |
|---------|-------------------------------|---|
| FX CFDs | 0.5~1.5%                      | The applicable rate in the Interbank markets according to the period of rollover and the FX Solutions spread that is applied at our discretion. |

| INDEX CFDs                      | Margin Requirement Percentage | Financing Spread |       |
|---------------------------------|-------------------------------|------------------|-------|
|                                 |                               | Long             | Short |
| <b>AUS200</b>                   | 0.5%                          | +3%              | -3%   |
| <b>Japan 225</b>                | 0.5%                          | +3%              | -3%   |
| <b>Hong Kong 40</b>             | 2.0%                          | +3%              | -3%   |
| <b>Europe</b>                   |                               |                  |       |
| <b>UK100</b>                    | 0.5%                          | +3%              | -3%   |
| <b>France 40</b>                | 2%                            | +3%              | -3%   |
| <b>Germany 30</b>               | 0.5%                          | +3%              | -3%   |
| <b>EU Stocks 50</b>             | 2%                            | +3%              | -3%   |
| <b>United States of America</b> |                               |                  |       |
| <b>US SP500</b>                 | 0.5%                          | +3%              | -3%   |
| <b>US Tech 100</b>              | 0.5%                          | +3%              | -3%   |
| <b>Wall Street</b>              | 0.5%                          | +3%              | -3%   |

| CFDs                | Minimum Deal | Contract Value  | Min Tick | Tick Value |
|---------------------|--------------|-----------------|----------|------------|
| <b>INDEX CFDS</b>   |              |                 |          |            |
| <b>AUS200</b>       | 1            | 1 x Index Price | 1        | 1 AUD      |
| <b>Japan 225</b>    | 100          | 1 x Index Price | 1        | 100 JPY    |
| <b>Hong Kong 40</b> | 1            | 1 x Index Price | 1        | 1 HKD      |
| <b>Europe</b>       |              |                 |          |            |
| <b>UK100</b>        | 1            | 1 x Index Price | 1        | 1 GBP      |
| <b>France 40</b>    | 1            | 1 x Index Price | 1        | 1 EUR      |
| <b>Germany 30</b>   | 1            | 1 x Index Price | 1        | 1 EUR      |
| <b>EU Stocks 50</b> | 1            | 1 x Index Price | 1        | 1 EUR      |
| <b>U.S.A</b>        |              |                 |          |            |
| <b>US SP500</b>     | 1            | 1 x Index Price | 1        | 1 USD      |
| <b>US Tech 100</b>  | 1            | 1 x Index Price | 1        | 1 USD      |
| <b>Wall Street</b>  | 1            | 1 x Index Price | 1        | 1 USD      |
| <b>Bullion</b>      |              |                 |          |            |
| <b>GOLD</b>         | 1            | 1 troy oz.      | 10 cents | 10 cents   |
| <b>SILVER</b>       | 100          | 1 troy oz.      | ½ cent   | 50 cents   |

## 10.6 Administration fees

FX Solutions may charge you for the following administration services:

| Facility                                  | Fee<br>(inc GST)   |
|---|--|
| Withdrawals                               |  |
| Overnight payments                        | \$A Nil  |
| Same Day                                  | \$A11.00   |
| Foreign Currency<br>Telegraphic Transfers | \$A12.50   |
| Duplicate Statements by<br>post           | \$A10.00   |
| Telephone Conversations<br>Transcripts    | Upon application*  |
| Audit Certificates                        | \$A45.00   |
| Debt Collection                           | 1 <sup>st</sup> Call \$A38.50<br>2 <sup>nd</sup> Call \$A60.50 |

Fees for Telephone recordings will be charged on the basis of FX Solutions costs, and because these costs may vary depending on the number and length of the conversation and on the time and date of the recordings etc., the amount, maximum limit and their calculation method of the fees are not provided in this column.

No charge is levied for duplicate statements requested and forwarded electronically.

## 10.9 Interest on Account Balances

Ledger balances are created in foreign currencies when profits or losses are realised on instruments denominated or priced in currencies other than a Client's Base Currency.

| Balance on Ledger | Conditions   | Interest Rate  |
|-------------------|--|--|
| Credit Balance    | Interest is not currently paid on Credit Balances. | Not applicable   |
| Debit Balance     | Interest is charged on any debit balance.          | Official borrowing rate of the respective currency plus 4% |

Clients may contact our Client Services Department for the current interest rate.

## 10.7 Minimum Equity Balance

There is no minimum account balance required to maintain an account with FX Solutions.

However, to maintain open positions Clients are reminded that if their Margin Level falls below the Margin Close Out Level all positions may be closed.

Refer to Section 8.6 of the Product Disclosure Statement for more details.

## 10.8 Minimum Account Balance

To maintain access to the ITP software Clients are requested to maintain a minimum account balance of USD200 (or the currency equivalent). By doing so, Clients will retain access to all of the adjunct services available within the trading platform.

If your access to the platform is suspended it may be reactivated simply by contacting one of the Client Services consultants.

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## 11. Taxation Considerations

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### 11.1 Introduction

If you trade in FX Solutions Products, you may be subject to Australian taxation. This Section outlines the main Australian income tax and GST implications of trading in our Products.

The information contained in this Section is of a general nature only and is not intended to constitute legal or taxation advice. **The taxation implications of your investment will depend on your own individual circumstances and FX Solutions recommends that you obtain independent professional taxation advice on the full range of taxation implications applicable to your own personal facts and circumstances.**

Taxation laws are complex in nature and their interpretation and administration may change over the term of your investment. We will not advise you of any changes in taxation laws should they occur. You must take full responsibility for the taxation implications arising from your own investment, and any changes in those taxation implications during the course of your investment.

The information provided below is for Australian resident investors only and is based on the taxation laws in Australia current as at the date of this PDS. If you are not an Australian resident, you should consult a taxation advisor in your own jurisdiction to determine the tax consequences of trading with FX Solutions.

The information in this section is based on the assumption that you will hold CFDs or Margin Foreign Exchange contracts on revenue account. This means that you will be carrying on a business of trading or investing in these financial products, and/or you will enter into them for the purpose of making profits. We have not considered the taxation position if you enter into transactions for the purposes of hedging risks associated with other securities held by you on capital account.

The availability of tax deductions or losses incurred as a result of entering into transactions to offset current and future year income will depend on your personal circumstances and you will need to seek advice from your tax advisor in this regard.

### 11.2 Tax consequences of CFDs

The taxation of contracts for difference is set out in ATO Tax Ruling TR 2005/15. Under TR 2005/15, if you enter into a contract for difference in the ordinary course of your business or for profit-making purposes, it is likely that any profit derived or loss incurred by you will be included in, or allowed as a deduction from, your assessable income. Any profit or loss arising in respect of an Index CFD should be included in your assessable income (or allowed as a deduction) at the time the profit or loss is "realised" for tax purposes. Realisation will generally occur at the time the Index CFD is closed out.

Ordinarily, contracts for difference trades would be entered into for a profit making purpose. However, where a contract for difference is not entered into for a profit making purpose, the ATO may consider the transaction as an unusual form of recreational gambling. Proceeds from gambling are generally not subject to tax unless you are carrying on a business of gambling. In the ATO's view, "gambling" refers to activities involving primarily chance which have a recreational or sporting character, and not the more technical legal meaning of wagering or the more popular meaning of mere risk taking. Ultimately, the nature of the proceeds an investor derives from trading Index CFDs will depend upon the particular circumstances of the investor.

### 11.3 Capital Gains Tax

Index CFDs and Margin Foreign Exchange contracts may constitute a capital gains tax (CGT) asset held by you for the purposes of applying the CGT provisions to any capital gain or capital loss realised by you. However, to the extent that a gain arising as a result of a CGT event in relation to Index CFDs or Margin Foreign Exchange contracts is included in your assessable income outside the CGT provisions, the capital gain resulting from the CGT event will be reduced. Similarly, to the extent that any loss incurred in respect of transactions is deductible, the deductible amount will not contribute to a capital loss for you.

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## **11.4 Treatment of Daily Financing Fees**

Any Daily Financing Fee credited to you is likely to be included in your assessable income at the time it is credited to your account. If you do not provide your TFN (or ABN if applicable) or proof of exemption, FX Solutions may be required to withhold tax from any payment at a rate of up to 46.5%.

## **11.5 Expenses**

Certain expenses incurred by you in connection with trading in our Products may be deductible to the extent that they are incurred for the purpose of deriving your assessable income. The deductibility of these expenses will depend on your own personal circumstances. You should obtain your own advice as to whether such expenses will be deductible to you.

## **11.6 Taxation of Financial Arrangements**

New rules have recently been introduced which will set out the method by which gains and losses from financial arrangements will be brought to account for tax purposes (referred to as the Taxation of Financial Arrangements (TOFA) rules).

The TOFA rules will apply to financial arrangements held by certain investors whose assets or aggregated turnover exceeds specified thresholds. The TOFA rules will also apply to investors who have made an election to apply the TOFA rules to their financial arrangements. If the TOFA rules apply to you, we recommend that you seek advice in relation to the taxation treatment of Index CFDs and Margin FX contracts.

## **11.7 Goods and Services Tax**

No GST should be payable in relation to your trading with FX Solutions. This is on the basis that our Products (including some ancillary costs) are considered to be "financial supplies" under the A New Tax System (Goods and Services Tax) Act 1999. Consequently, they are input taxed and no GST is payable on their supply.

GST may apply to certain fees and costs charged to you. You should obtain your own advice as to whether an input tax credit is available for any such GST, as it will depend on your personal circumstances.

## **11.8 Corporate Actions**

As an Index CFD is unlikely to be treated in the same way as shares, any Cash Adjustment received by an investor is likely to be considered income or expense.

## **11.9 Interest payable to foreign residents**

No interest is paid on credit balances exceeding the qualification level to accounts held by foreign residents.

However, debit balances are charged at a rate determined by FX Solutions from time to time and specified on your daily statement. Clients may contact the Client Services Department for details of the applicable interest rate charged on debit balances to their Account. FX Solutions may vary the applicable interest rate at any time.

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## 12. Dispute Resolution

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We aim to provide a high standard of service; however, we do recognise that occasionally we will not live up to your expectations.

If you have any query relating to the conduct of your account you should contact our Account Management team as soon as possible. This is particularly important in the case of a potential dispute over a transaction or order.

### 12.1 Dispute Resolution Procedure

A copy of our dispute resolution procedure and details on how to lodge a complaint can be found on our website [www.fx-solutions.com.au](http://www.fx-solutions.com.au).

### 12.2 Financial Ombudsman Service

FX Solutions is a member of the Financial Ombudsman Service (FOS). Complaints that cannot be resolved via the internal procedure detailed on the web will be referred on to FOS:

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001  
Internet: [www.fos.org.au](http://www.fos.org.au)

In most cases FOS will then facilitate discussion and, as appropriate, negotiation between the parties. Each dispute is taken on its merits and as such requires time and effort to investigate the issues raised. If the dispute cannot be resolved through discussion, FOS may facilitate conciliation between the parties. The conciliation will attempt to assist the parties to identify and discuss the issues in dispute, settle the dispute and agree on the terms of such settlement.

If conciliation does not result in a resolution of the dispute, it can be referred to an independent adjudicator or to a panel to make a determination.

As a member of FOS, any determination by the adjudicator is binding on us if you accept it. However, it is not binding on you and if you decide not to accept the decision, you may pursue your dispute against us in another forum.

The services provided by FOS are free of charge. Further information on FOS can be found on their website [www.fos.org.au](http://www.fos.org.au).

### 12.3 ASIC Infoline

You can also call the ASIC freecall infoline on 1300 300 630 to find out about your rights to complain or to make a complaint.

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## 13. Privacy Statement

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This Privacy Statement explains how we collect personal information and then maintains uses and discloses that information. It also provides some detail about our Clients' rights.

### 13.1 Personal Information

FX Solutions recognises the importance of your privacy and abides by the National Privacy Principles (NPP) contained in the Privacy Act 1988. FX Solutions uses appropriate and lawful means to obtain Client personal information,

We may collect information from you such as your name, address, phone number, email address, age and information regarding products and services you inquire about or trade with us. We may collect this information when you give it to us directly in your Application Form, when you use our products and services, call us or visit our website so that we may conduct business with you. We are also required under the AML/CTF Act to collect personal information about you prior to the opening of a trading account with us and we may also be obliged to collect additional personal information about you on an ongoing basis.

Client personal information is strictly maintained in accordance with the Australian laws concerning the protection of personal information, guidelines issued by the competent authorities, and this Privacy Statement.

Except where permitted by relevant laws, we will not obtain, use or provide to third parties information about race, religious beliefs, family origin, legal domicile, health care or criminal history, or other sensitive information.

### 13.2 How we use personal information

FX Solutions will use the personal information that we have obtained only to the extent required in the course of business and, except where stipulated by law, it will not be used beyond what is necessary for this purpose of use.

#### Why is Information Required?

We have requested the information required in the Application to determine whether we will deal in FX Solutions Products with applicants. That information together with the information

collected and maintained by us during the course of our relationship is required to keep Clients updated on matters such as Client dealings, margin obligations, Account funds and possibly other activities of the City Index Group. FX Solutions also requires the information to manage and administer the products and services provided.

In addition, we may use personal information to the following extent:

- To solicit, market, and advise on our products and other financial products and services handled by FX Solutions;
  - to verify the identification of Clients (including verifying the identity of the responsible individual at a business Client and verifying the identity of persons acting on a Client's behalf);
  - to provide information regarding the status of dealings, the results of dealings, and the balance of funds on Account;
  - to enforce internal controls;
  - to undertake administrative tasks;
  - to research and develop financial products and services by conducting market research, data analysis, and surveys;
  - to conduct sales and marketing activities including Client development;
  - to conduct research and development on the products that we offer by using market research, data analysis and surveys;
  - in the event that we are asked to fully or partially process personal information on behalf of another business, to do whatever is necessary to appropriately complete this work;
  - to exercise our rights and perform our responsibilities under the Customer Agreement and relevant laws;
  - to furnish reports, submissions and research necessary in the course of supervision by competent authorities, exchanges, and self-regulatory bodies;
  - to present various proposals concerning financial products and various services by FX Solutions and its group companies;
  - to provide guidance concerning the products and services of our group companies and partner companies; and
- to otherwise ensure the smooth and appropriate execution of dealings with FX Solutions and administrative tasks.

#### Sharing Information

We may also share personal information with affiliates to the extent specified below:

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Types of data that may be shared:

- Name, Address, Age, financial markets experience and financial assets;
- Information about dealing positions.

Why information is shared:

- so that our affiliated companies can provide information about products and services;
- so that our affiliated companies can prepare and send relevant investment information and market news;
- so that we can jointly undertake research and development on financial products and services by conducting market research, data analysis, and surveys;
- for use in business analysis at our holding company;
- to market FX Solutions Products and services;
- to enhance understanding of FX Solutions' products and services;
- to determine whether FX Solutions will approve a Client application

#### **Related Companies**

Affiliated companies with which we share information:

- City Index Limited
- City Index Asia Pte Ltd
- City Index Holdings Limited
- FX Solutions LLC

#### **External Parties**

We may also be required to provide your personal information to regulatory agencies and other government institutions and regulatory bodies.

FX Solutions Australia may provide personal information to:

- courts, arbitrators and other dispute resolution bodies;
- external service providers and professional advisers (which may be located overseas) that provide services to us;
- any actual or potential delegate or assignee as referred to in the Customer Agreement; and
- any organisation which Clients request us to or any persons acting on a Client's behalf, including financial adviser, broker, solicitor or accountant.

#### **Entrusting personal information to outside contractors**

In order to ensure the smooth execution of the tasks needed to achieve the intended purposes, we may entrust some tasks to outside contractors and provide necessary personal information to these outside contractors. When outside contractors are used, FX Solutions will undertake the necessary and appropriate supervision of such contractors (and subcontractors).

#### ***Disclosing and providing personal information to third parties***

We will not disclose or provide your personal information to third parties without obtaining your consent in advance, except where permitted by law, such as entrusting personal information to another party to the extent necessary to achieve purposes of use, or pursuant to laws and regulations.

#### **Disclosing and providing personal information to third parties**

We will not disclose or provide personal information to third parties without obtaining consent in advance, except where permitted by law, such as entrusting personal information to another party to the extent necessary to achieve purposes of use, or pursuant to laws and regulations.

### **13.3 Party responsible**

FX Solutions Australia has responsibility for the administration of this personal information.

We will take all reasonable steps to protect Client personal information from misuse, loss, unauthorized access, falsification, or leaks.

### **13.4 Websites**

When submitting an application form (online or otherwise) or other documents or when visiting our website or dealing in our products, FX Solutions will collect and retain this information.

We also collect statistical information about visitors to our websites such as the number of visitors, pages viewed, types of processes executed, time online and documents downloaded. This information is used to evaluate and improve the performance of our websites. Unless Clients have provided information to us, we do not collect any personal information through our websites other than statistical information.

You should also be aware that we use cookies on our websites. A cookie is a small amount of data, which often includes a unique identification

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number or value that is sent to your browser from a website's computer and stored on your computer's hard drive. Each website can send its own cookies to your browser if your browser allows it. However, to protect privacy, your browser only allows a website to access the cookies it has sent to your computer.

Cookies are used on our websites to collect the aforementioned statistical information and so that Clients can access their Accounts on-line. When accessing Accounts on-line a cookie will be created which uniquely identifies the computer, username and password. This eliminates the need to re-enter the aforementioned data each time Accounts are accessed online.

Most internet browsers are set up to accept cookies. If Clients do not wish to receive cookies, they may be able to change the browser settings to refuse all cookies or have their computer notify them each time a cookie is sent, thereby giving the choice whether to accept it or not. If Clients reject all cookies, they will be unable to access Accounts on-line. Clients can also delete cookies from computers after they have been created.

### **13.5 Telephone conversations**

FX Solutions Australia may record telephone conversations. Such recordings, or transcripts from such recordings, may be used to resolve any dispute.

Recordings or transcripts made by FX Solutions Australia may be destroyed under our normal practice. Ordinarily, but not necessarily, this is two months after the date on which the conversation occurred.

### **13.6 What are your rights?**

Please contact us if you are uncertain or dissatisfied in any area with respect to your privacy.

### **Disclosure procedure for personal**

### **information**

When asking that we disclose information that we hold about Clients, please call our Client Services department or contact

[customersupport@fxsol.com.au](mailto:customersupport@fxsol.com.au) via email. We will ordinarily respond within 14 days after verifying the request, except in cases where disclosure is deemed unnecessary under the law. If the request is complex, a longer time may be needed, in which case we will advise you of the time required.

### **Correction of Information**

Clients are asked to promptly notify FX Solutions Australia of any changes to their personal information. This will ensure that personal information held is up to date and enable us to keep Clients informed of the continuing circumstances of Accounts, margin obligations and trading activities.

You may ask us at any time to correct personal information held by FX Solutions, which is inaccurate.

### **Questions and opinions concerning the handling of personal information**

We will respond promptly and appropriately when we receive questions or opinions concerning FX Solution Australia's handling of personal information from our Clients, such as on our measures for ensuring the security of personal information.

Please submit any questions, opinions or complaints concerning our handling of personal information to the Client Services Department.

### **13.7 Privacy Statement Reviews and Revisions**

We will review the features of this statement as needed, and may revise it depending on circumstances such as amendments to relevant laws and changes in the information technology environment.

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## 14. Other matters you should note

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### 14.1 The Customer Agreement

This Product Disclosure Statement describes FX Solution Australia's products and services and summarises many important elements of the Customer Agreement. However, it is not a comprehensive description of all terms and conditions and Clients must refer directly to the Customer Agreement.

The Customer Agreement is the terms and conditions under which we offer FX Solutions' Products and deal with you. The Customer Agreement also provide for the following:

- the terms and conditions that apply to each FX Solution Product;
- your obligations to us;
- our rights and obligations (including our rights should you default on your obligations). Our rights include the right to close out some or all of your positions; and
- the methods used to calculate amounts with respect to your Account.

FX Solutions Australia may, at its discretion, amend or vary the Customer Agreement or withdraw in whole or in part any account facility by providing 10 Business Day's notice or, in specified circumstances, without prior notice. This is set out in the Customer Agreement.

***You should read the Customer Agreement in its entirety.***

### 14.2 Australian law governs Customer Agreement

The Customer Agreement and all contracts and transactions with FX Solutions Australia will be governed and construed in accordance with the laws of the Commonwealth of Australia and be subject to the Courts of New South Wales.

### 14.3 Anti-Money Laundering and Counter-Terrorism Financing legislation

By issuing our Products FX Solutions Australia is regulated under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) as a provider of "designated services" that is, services that are subject to the provisions of the AML/CTF Act.

The AML/CTF Act regulates financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. Under the AML/CTF Act, FX Solutions is required to verify your identity before providing services to you, and to re-identify you if it considers it necessary to do so, and to keep any documents verifying your identity for a period of 7 years.

As a result of the measures and controls that have been implemented to ensure compliance with the AML/CTF Act, FX Solutions may decide to refuse any transactions on your account or to freeze your funds if there are reasonable grounds to suspect that the transaction breaches the law, and FX Solutions will be not be liable for any loss you suffer (including consequential loss) as a result of its compliance with the AML/CTF Act.

FX Solutions has certain reporting obligations under the AML/CTF Act and is prevented from informing you that any such reporting has taken place. Where required by law, FX Solutions may disclose the information gathered to regulatory or law enforcement agencies including AUSTRAC.

### 14.4 Daily statements

You should verify the content of each document prepared by FX Solutions Australia. Such documents will, in the absence of manifest error, be conclusive unless the Client notifies us of an objection in writing within 48 hours of receiving such document.

Under the Customer Agreement the 48 hours begins from the time we send an email to your personal email address notifying that the Statement is available in the ITP.

### 14.5 Client's obligations

Your obligations under the Customer Agreement, including, but not limited to, monitoring your positions and maintaining the required Total Margin at all times, apply continuously, 24 hours a day.

### 14.6 Security

If you are aware or suspect that your username, account number, user ID or password have been leaked then you should contact us promptly so that they may be changed.

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### 14.7 Key times, dates & events

It is your responsibility to be aware of key dates and events in relation to the FX Solutions Products.

### 14.8 No interest in Underlying Instrument

Neither you nor we acquire any interest in or right to acquire the Underlying Instrument of any FX Solutions Product that is traded between both parties. Moreover, neither party is obliged to sell, purchase, hold or deliver or receive the Underlying Instrument.

### 14.9 Pricing errors

If errors occur in the prices of FX Solutions' Products quoted, neither party without prejudice to any rights it may have under statute or common law will be bound by any dealing which purports to have been made (whether or not confirmed by us) at a price which was, or ought reasonably to have been, known to either party to be materially incorrect at the time of the dealing.

### 14.10 Sharing of Fees and other

FX Solutions Australia may share fees, the dealing spread, financing charges and other charges with its associates or other third parties or receive remuneration from them in respect of contracts entered into by FX Solutions Australia with you.

### 14.11 Clients may be treated differently

FX Solutions Australia in its absolute discretion may quote different prices, and charge fees, financing charges and other charges at different rates, to different Clients.

### 14.12 Other considerations

FX Solutions Australia does not take into account labour standards, environmental, social or ethical considerations for the purpose of dealing in FX Solutions' Products with you, other than dealing with you in a fair and equitable manner.

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## 15. Glossary

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Below is a list of some words used in this PDS and their meanings. The Customer Agreement defines many terms and expressions and you should refer to them if in any doubt about the meaning of any term or expression.

### **Account**

Means any account that we maintain for you for dealing in the Products made available under the Customer Agreement and in which your Cash, Margin Requirements and Margin Payments are held and to which Realised Profits and/or Losses are credited or debited.

### **Application Form**

An application form to open an Account with FX Solutions Australia.

### **Authorised Person**

The Client and/or any person authorised by the Client to give instructions to FX Solutions Australia under the Customer Agreement, including a person under a limited power of attorney or representative authorisation.

### **Base Currency**

The currency you have nominated as being the denomination for the Account.

**Business Day** means any day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Sydney, Australia or any day on which the exchange or market in which the relevant Underlying Instruments are listed or traded, whichever is applicable, is open for trading, and will exclude any day on which all trading on the relevant exchange or market is closed or suspended.

### **Cash Dividend**

The cash dividend or distribution declared only and does not include any Imputation Credits attached to a dividend or distribution.

### **Close of Business**

Means 17:00 New York; 22:00 GMT (07:00 Australian Summer or during US Summer Time 21:00 GMT and 09:00 AEST).

### **Client or Customer**

Means a person whose application to deal with FX Solutions is accepted and maintains an Account.

### **Customer Agreement**

FX Solutions Australia's contract detailing the rights and obligations of each party.

### **Contract for Difference (CFD)**

A contract with FX Solutions Australia whose value fluctuates by reference to fluctuations in the price of an Underlying Instrument.

### **Contract Note**

A document confirming a trade with respect to an FX Solutions Product.

### **Events of Default**

Has the meaning defined in the Customer Agreement and includes a Client failing to meet their Margin Requirement.

### **Financing Rate**

The FX Solutions rate used to calculate Financing on CFD positions that remain open overnight.

### **Financing Spread**

This is the spread applied to the Reference Rate to determine the Financing Rate used to calculate the Daily Financing Fee.

### **Force Majeure Event**

Has the meaning defined in the Customer Agreement and includes the suspension of or closure of any index, market or exchange.

### **FX**

Foreign Exchange, either a rate of exchange between to currencies or a currency itself.

### **FX Solutions Exchange Rate**

The foreign exchange rate as FX Solutions may reasonably determine from time to time having regard to current market rates and which is available to the Customer from FX Solutions on request. This rate may be different to the price quoted by FX Solutions for a FX CFD.

### **FX Solutions Products**

The products that FX Solutions offers to its Clients from time to time under the terms and conditions of the Customer Agreement.

### **FX Solutions Rollover Rate**

The rate as FX Solutions may determine from time to time having regard to interbank rates for rollovers.

### **Good 'til Cancelled (GTC) Order**

An instruction that the order does not expire at the end of the trading day.

### **GMT**

Greenwich Mean Time.

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**Grossed-up Dividend**

The grossed-up amount of the dividend is the sum of the Cash Dividend plus any Imputation Credit attached to the Cash Dividend that a person who owns the underlying security is entitled to.

**Limited Hours Trading** means the ability of the Client to trade FX Solutions Products only during such hours as the relevant exchange is open.

**Limit order**

An order to buy or sell a specified amount of a security at a specified price or better.

**Long Party**

The party that has bought the relevant FX Solutions Product.

**Margin Call**

A demand for additional funds to be deposited in a margin account to meet margin requirements because of adverse price movements.

**Margin FX Contract**

Means a Foreign Exchange contract in an over-the-counter market between FX Solutions and a customer.

**Market**

A contract we make available which is comprised of a unique set of price information, minimum and maximum Quantity, expiry and other commercial features determined by reference to an Underlying Instrument

**Market Order**

An order to buy or sell an FX Solutions Product immediately at the prevailing Our Price.

**Margin Requirement**

The amount of money that you are required to deposit with us as consideration for entering into a trade and maintaining an Open Position.

**Net Equity**

The aggregate of all currency balances in your account and any unrealised profits or losses.

**Our Bid Price**

The lower of two prices we quote for each Market.

**Our Offer Price**

The higher of the two prices we quote for each Market.

**Our Price**

Our Offer Price and Our Bid Price for each Market.

**Quantity**

The amount of units traded in a Market.

**Reference Interest Rate**

The interest rate for each respective currency used by FX Solutions to calculate the Financing Rate applied to Index CFD positions held overnight.

**Short Party**

The party that has sold the relevant FX Solutions Product.

**Stop-entry order**

An order placed to open a new position or increase an existing position at a price which is inferior to the current market price.

**Stop-loss order**

An order that allows you to control any potential losses on a position should the market move against you.

**Total Margin**

Means a figure stated on the Trading Platform which represents the aggregate of the Margin Requirements on your Account.

**Trade**

A transaction entered into by you with us pursuant to our Customer Agreement.

**Trading Resource**

Means your Net Equity less your Total Margin.

**Transaction Fee**

A transaction fee charged by FX Solutions for execution services.

**Underlying Instrument**

The index, commodity, currency or other instrument, asset or factor whose price or value provides the basis for us to determine Our Price for a Market.

**We, us or FX Solutions Australia**

Means City Index Australia Pty Ltd trading as FX Solutions Australia.

**You**

Means the Customer.