



Product Disclosure Statement

Contracts for Difference

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1. Important Information

This Product Disclosure Statement (“**PDS**”) has been prepared by Aliom Pty Limited ACN 123 876 291 (“**Aliom**”), in accordance with the financial product disclosure requirements under the *Corporations Act 2001* (Cth) (“**Corporations Act**”).

The date of this PDS is 1 April 2010.

This PDS has not been lodged with the Australian Securities and Investments Commission (“**ASIC**”) and is not required by the Corporations Act to be lodged with ASIC. ASIC takes no responsibility for the contents of this PDS.

The information in this PDS does not take into account your investment objectives, financial situation and particular needs. Aliom does not guarantee the performance of any contract for difference (“**CFD**”) transaction entered into by you. Nothing contained in this PDS constitutes the giving of general or personal financial product advice or a recommendation concerning the entry into any CFD transactions. Before making a decision whether to enter into a CFD contract, Aliom strongly recommends that you obtain your own legal, tax and investment advice, taking into account your particular needs and financial circumstances.

The offer made in this PDS is only available to persons receiving it (electronically or otherwise) in Australia. Should you receive any part of this PDS outside Australia, it does not constitute an offer or invitation in relation to CFD contracts in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. Distribution of any part of this PDS in jurisdictions outside Australia may be restricted by law. Persons outside Australia in possession of any part of this PDS should seek further advice as it may be unlawful for such persons to participate in the offer which is the subject of this PDS. Aliom reserves the right to reject investors whom it considers cannot participate in the offer the subject of this PDS or whom it may be unlawful for it to accept as a client.

The information in this PDS (including the Market Information Sheet) is subject to change from time to time and is up to date at the date stated on the cover. Where new information is materially adverse information Aliom will issue either a new PDS or a supplementary PDS setting out the updated information.

Where the new information is not materially adverse information Aliom will not issue a new or supplementary PDS, but you will be able to find the updated information (including the updated Market Information Sheet) on our website www.aliomonline.com.au or request a paper copy of the updated information without charge by calling Aliom on +612 8246 8500. You may also request a paper copy of this PDS from Aliom.

All monetary amounts expressed in this PDS are in AUD, unless specifically expressed to the contrary.

2. Introduction

Purpose of a Product Disclosure Statement

This PDS is an important legal document setting out information about CFD transactions which may be entered into between you and Aliom.

The information in this PDS should assist you to:

- decide if the product meets your needs; and
- compare the product with similar products.

If you intend to apply to use any of the products described in this PDS, please read this PDS thoroughly, then keep it, together with all other documentation which you receive from Aliom in connection with CFD transactions, for future reference.

Product Issuer Details

This PDS is issued by Aliom Pty Limited. Aliom is the holder of Australian Financial Services Licence (“**AFSL**”) Number 323182.

If you have any questions or need more information, please contact Aliom:

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	Sydney NSW 2000 Australia	Fax:	+612 8246 8501
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Additional information about Aliom is also available at www.aliomonline.com.au.

3. Summary of key issues when dealing in CFDs with Aliom

The table set out below provides a summary only of the key features and characteristics involved in dealing in CFDs. In addition to this summary, you should ensure you have read and understood the contents of this PDS, the Client Agreement and Aliom’s FSG.

Before opening an Account and/or proceeding to trade, Aliom strongly recommends that you obtain independent financial, legal, taxation and other professional advice.

Issue	Summary	For more detail
<p>What is a CFD?</p>	<p>A contract for difference or CFD is an agreement which allows you to make a profit or loss from fluctuations in the price of a CFD. The price of a CFD is based on the price of an underlying financial instrument (Underlying Financial Instrument); for example a share on an Exchange. However, you do not own that Underlying Financial Instrument or trade it on an Exchange by owning a CFD.</p> <p>By entering into a CFD, you are either entitled to be paid an amount of money, or required to pay an amount of money, depending on movements in the price of the CFD.</p> <p>The amount of any profit or loss made on a CFD will be the net of:</p> <ul style="list-style-type: none"> • the difference between the price of the CFD when the CFD position is opened and the price of the CFD when the CFD position is closed; • any adjustments made in respect of the CFD; • any Commission payable in respect of the CFD; and • any Financing Charges relating to the CFD <p>The balance on your Account will also be affected by other amounts you must pay to Aliom in respect of your Account such as interest on debit balances.</p>	<p>See Sections 4 and 10</p>
<p>A CFD is issued “over the counter”. What does this mean?</p>	<p>Over the Counter (OTC) means that you do not trade in a CFD through an Exchange or market; rather it is a transaction between you and Aliom. This means you can only enter into contracts with Aliom.</p> <p>It is not possible to close a CFD issued by Aliom by giving instructions to another CFD provider, broker or Australian financial services licensee.</p>	<p>See Sections 6 and 9</p>
<p>What charges are payable when dealing in CFDs?</p>	<p>The common fees and charges when dealing in CFDs may incorporate any or all of the following:</p> <ul style="list-style-type: none"> • Commission on executed trades; • Interest charges applied to debit balances in your Account; • Financing Charges; • Guaranteed stop-loss order premiums; • Administration Charges. <p>In addition, Aliom will apply a bid / offer spread in respect of its CFDs which will also affect the profits or losses you make when dealing in CFDs.</p>	<p>See Section 10</p>
<p>How do I open a CFD Account?</p>	<p>Read this PDS, the Client Agreement and our FSG, and sign the Client Agreement.</p> <p>You may obtain these documents by:</p> <ul style="list-style-type: none"> • telephoning Aliom +612 8246 8500; or • going to Aliom’s website at www.aliom.com.au. 	<p>See Section 8</p>
<p>What is the minimum</p>	<p>AUD5,000 for a Standard Account.</p>	<p>See Section 8 and the Market</p>

Issue	Summary	For more detail
balance to open a CFD trading Account?	A higher minimum balance applies for other Accounts which have additional features.	Information Sheet
How do I deal in CFDs with Aliom?	<p>You may place orders to deal in CFDs in three ways:</p> <ul style="list-style-type: none"> • electronically, via Aliom DealBook; • telephone (calls will be recorded); or • in writing (including email or facsimile, where agreed). 	See Section 9
What are “long” and “short” positions?	<p>You go “long” when you buy a CFD or place an order to open a CFD position in the expectation that the price of the Underlying Financial Instrument will increase, which would have the effect that the CFD price will increase.</p> <p>You go “short” when you sell a CFD or place an order to open a CFD position in the expectation that the price of the Underlying Financial Instrument will decline, which would have the effect that the CFD price will decline. If this occurs, because you have sold a CFD (rather than bought a CFD), you would make a profit if you closed the position at this point, subject to Aliom’s fees and charges.</p>	See Section 4
How do I Close Out an Open Position?	You Close Out an Open Position in a CFD by entering into an equal and opposite transaction in the same CFD.	See Section 9
How does Aliom deal with my money?	Moneys which you deposit with Aliom will be regulated by the Corporations Act.	See Section 14
What is my “Total Equity”?	<p>Your “Total Equity” is the aggregate of:</p> <ul style="list-style-type: none"> • the current Cash balance in your Account; and • your current unrealised profits and losses (Floating P&L). 	See Section 4
What is my “Available Equity”?	Your “ Available Equity ” is your Total Equity less your current Margin Requirement (see below). The Available Equity is the amount that you may withdraw from your Account or use to cover additional Margin Requirements.	See Section 4
What is Margin?	<p>Margin is the amount that you must have in your Account to enter into CFD positions with Aliom.</p> <p>The level of Margin required to open and maintain a CFD position is called the “Margin Requirement”.</p> <p>Margin Requirements will fluctuate with the price of the Underlying Financial Instrument on which the CFD is based. Further, where you deal in a CFD that is denominated in a currency other than the Base Currency of your Account your Margin Requirement may also be affected by fluctuations in the relevant foreign exchange rate.</p>	See Section 4
Can Aliom Close Out my Open Positions and cancel Orders?	<p>If your Risk Level reaches 25%, Aliom can Close Out all of your Open Positions and cancel Orders without prior notice to you. The Risk Level is your Total Equity expressed as a percentage of your Margin Requirement.</p> <p>Aliom can also Close Out Open Positions and cancel Orders if certain market or default events occur.</p>	See Sections 4, 9 and 14
Will I receive Margin Calls from Aliom warning me that my Open Positions may be liquidated?	You should not assume that you will receive warnings or Margin Calls. Aliom will endeavour to send you emails when your Risk Level reaches 75% and 50%. However, Aliom is not required to do so, and you must monitor your Open Positions and ensure that sufficient funds are deposited into your Account to maintain Margin Requirements.	See Section 4

Issue	Summary	For more detail
How are payments made in and out of my Account?	You may deposit funds by bank transfer or by cheque. All funds must be cleared in your Account before they are treated as satisfying a Margin Call or can be made available for you to use in dealing in CFDs.	See Section 9
Do I receive interest on moneys held in my Account or pay interest on moneys that I owe to Aliom?	Interest will not be paid on credit (positive) balances in your Account. Aliom will charge interest on any debit (negative) balances in your Account.	See Section 10
Do I pay or receive any Financing Charges?	A daily Financing Charge is applied in respect of CFD trades relating to cash indices, individual equities, and cash metals. The Financing Charge is levied for each day that the trade remains open (including weekends and public holidays). The Financing Charge is applied to all Open Positions at 22:00 hours (10pm London time) on each Business Day. Accordingly, if you hold "long" (buy) CFD positions, you will have to pay the daily Financing Charge, which will be debited from your Account Balance. If you hold "short" (sell) CFD positions, Aliom will pay you the Financing Charge, which will be credited to your Account Balance.	See Section 10
What are the risks of CFDs?	CFDs are speculative products that are highly leveraged and carry significantly greater risk than non-g geared investments such as share trading. You may incur losses to the extent of your total exposure to Aliom and any additional fees and charges that apply. These losses may be far greater than the money that you have deposited into your Account or are required to deposit to satisfy Margin Requirements. You should obtain your own independent financial, legal, taxation and other professional advice as to whether CFDs are an appropriate investment for you.	See Section 6
What procedures are in place to deal with client complaints?	Aliom provides a complaints handling and dispute resolution process for its clients and is a member of the Financial Ombudsman Service (FOS), an external complaints resolution body.	See Section 11
What are the taxation implications of dealing in CFDs?	The taxation consequences of dealing in CFDs depend on your personal circumstances. Some general taxation consequences are set out in Section 12.	See Section 12

4. Significant features of CFDs

CFDs offered by Aliom

Aliom offers CFDs in the following Underlying Financial Instruments:

- shares and other securities;
- share indices;
- commodities;
- bonds;
- interest rates; and

The CFDs offered by Aliom enable you to receive many of the benefits associated with owning the Underlying Financial Instruments outright without actually owning them. For a full list of CFDs offered by Aliom, please refer to Aliom DealBook (Aliom's online trading platform).

Opening and closing a CFD

A CFD position is opened by either buying (going long) or selling (going short) a CFD.

You go “long” when you buy a CFD in the expectation that the price of the Underlying Financial Instrument to which the CFD relates will increase, which would have the effect that the CFD price will increase.

You go “short” when you sell a CFD in the expectation that the price of the Underlying Financial Instrument to which the CFD relates will decline, which would have the effect that the CFD price will decline.

You close a CFD position by entering into an equal and opposite transaction in the same CFD. See Section 9 for further details.

Aliom provides you with a number of different Order types to facilitate the opening and closing of long and short positions. The Order types are discussed further in Section 9.

Pricing

The CFD prices at which you trade CFDs with Aliom are determined taking into account the prices of the Underlying Financial Instrument to which the CFDs relate. The difference in the bid/offer price that is quoted is the “spread”. The prices shown in the spread will be determined by the size of your order and the pricing available from the underlying market at the time. The price may reflect the spread of the underlying market or may be wider from time to time.

Tick Factors

The Tick Factor (also referred to as “tick movement”, “tick value”, “tick size” or “pip movement”) represents the minimum price change between two successive transaction prices. The size and value of a Tick Factor can differ between different Underlying Financial Instruments. The size and value of Tick Factors are listed in the Market Information Sheet.

The effect of an increase of one Tick Factor on both the CFD and the Underlying Financial Instrument is detrimental to a buyer and beneficial to a seller. The effect of a decrease of one Tick Factor is beneficial to a buyer and detrimental to a seller.

Margin Requirements

The Margin you need when you open a CFD position

Before Aliom executes your instructions, you must deposit the Initial Margin with Aliom. The minimum deposit you have paid to open an Account will be taken into account in determining whether you have sufficient funds in your Account to meet the Initial Margin.

Your Initial Margin Requirement is the initial amount that is required to be in your Account to cover all of your open trading positions. How much is required to be in your Account is based upon the Initial Margin (IM) Factor, which is determined by Aliom and disclosed in the Market Information Sheet. The IM Factor works so that you are only required to deposit a percentage of the overall value of your position instead of having to deposit the entire value of your position if you were to purchase the Underlying Financial Instrument. For example:

XYZ shares (which are in the S&P/ ASX 100 index) are trading on the ASX between AUD4.53 to AUD4.55.

The Aliom quote for XYZ shares is also between AUD4.53 to AUD4.55.

You wish to buy 2,500 CFDs for XYZ shares.

The Market Information Sheet indicates that the IM Factor for shares within the S&P/ ASX 100 index is 10%.

Your Initial Margin would be based on the following:

$$[\text{Number of CFDs}] \times [\text{Aliom's quoted price for XYZ shares}] \times [\text{IM Factor}]$$

Accordingly, the Initial Margin to be deposited with Aliom is AUD1,137.50 (being $[2,500] \times [AUD4.55] \times [10\%]$).

Margined transactions carry a high degree of risk. The amount of Initial Margin is small relative to the value of the contract so that transactions are ‘leveraged’ or ‘geared’. A relatively small market movement will have proportionately larger impact on the funds you have deposited or will have to deposit. Even small trading transactions can lead to substantial losses, which far exceed the liquid or asset value of your Account. This may work against you as well as for you.

Margin on an ongoing basis

Your Initial Margin must be maintained in respect of all Open Positions. For an Account to be in good margin status, the Total Equity must be higher than the prescribed Margin Requirement. Your Margin Requirement will fluctuate depending upon market movements of the Underlying Financial Instrument.

Following the Close of Business on each Business Day while you have an Open position, Aliom will determine the price of the CFD at the Close of Business.

As the price of the CFD moves, your Margin Requirement will also move in alignment with this price change. This is because your Margin Requirement is based on the notional value of your Open Positions.

Continuing the above example, if the price of XYZ Shares then moves to AUD4.85, the Margin Requirement would be as follows:

AUD1,212.50 (being $[2,500] \times [AUD4.85] \times [10\%]$)

You must maintain sufficient Available Equity in your Account in cleared funds to cover any increase in your Margin Requirement.

Margin Requirements are subject to change

Margin Requirements for all products can fluctuate, and Aliom has sole discretion to raise or lower IM Factors. Aliom also reserves the right to set, and to increase or decrease Margin Requirements on a per client basis. The level of your Margin Requirement is therefore subject to change. There is not one single calculation that is used to determine the current IM Factors that clients are subject to. They can be changed for regulatory reasons, changes in your Account size, positions traded, volatility, acts of God, or any unknown factors that Aliom may presume in the marketplace that could negatively impact its current Margin risk assessment.

Please note that an increased Margin Requirement may mean that you are required to transfer additional funds into your Account before an order for a CFD contract will be accepted by Aliom DealBook. Also, please note that the increased Margin Requirement may result in a Margin Call or possible liquidation.

Risk Levels and Aliom's entitlement to Close Out your Open Positions

If your Risk Level reaches 25% or less, we are entitled to Close Out all Open Positions on your Account and cancel all Orders.

We can Close Out your Open Positions and cancel all Orders with or without giving you notice. If we do so without giving notice, we will inform you that we have done so by e-mail.

Aliom is not obliged to tell you if your Account is close to liquidation. However, as a courtesy, Aliom will attempt to send you a notice via email:

- when the Risk Level reaches 75%;
- when the Risk Level reaches 50%.

Therefore, you must ensure that you maintain an e-mail address at all times and keep us up to date and informed of your current email address. Aliom will not use any other means of communication to tell you when your Account reaches these risk levels.

Risk Level is a percentage calculated as follows:

(Total Equity divided by Margin Requirement) multiplied by 100. For calculation purposes, all relevant figures will be converted into your Base Currency.

You must monitor your Account, and all relevant factors, so that you know the current Risk Level, Total Equity, Available Equity and whether or not your Account is in risk of being liquidated. All the information you need in order to make these calculations is available from the following sources:

- Aliom DealBook;
- the Market Information Sheet, available at www.aliomonline.com.au.

You must also make sure you understand how to calculate Risk Level, Total Equity, Available Equity and Margin Requirement. If you are in any doubt call our Client Services Team at 02 8246 8528 or 02 8246 8500.

Profits and losses and Total Equity

Profits made from your dealing activities increase the Total Equity in your Account. Losses from your dealing activities reduce the Total Equity, and therefore the Total Equity available for dealing in CFDs or holding positions.

Following the Close of Business on each Business Day while you have an Open Position, Aliom will determine the value of the CFD as at Close of Business. This value is usually based on the mid-point of the closing bid and offer prices quoted by the relevant Exchange.

Example: NATIONAL AUSTRALIA BANK Limited's last trading price is \$28.34 with the following closing bid and offer:

Bid	Offer
28.30	28.34

The mid-point is 50% of the difference between the closing bid and offer, either added to the bid or taken away from the offer. In the above example, the mid-point would be calculated as:

$$28.34 - 28.30 = 0.04$$

$$0.04 / 2 = 0.02 \text{ (50\% of the difference)}$$

$$0.02 + 28.30 = 28.32$$

Therefore, the Closing Price would be 28.32.

If you hold a "short" CFD position and the value of your CFD at the Close of Business is greater than the value determined as at the close of the previous Business Day, you will make an unrealised loss (reflected in the Floating P&L) equal to the difference between the two prices and this amount will be deducted from your Total Equity. Alternatively, if the value as at the Close of Business is less than the value determined at the close of the previous Business Day, you will make an unrealised profit, and the difference will be added to your Total Equity.

If you hold a "long" CFD position and the value of your CFD as at the Close of Business is less than the value determined at the close of the previous Business Day, you will make an unrealised loss (reflected in the Floating P&L) equal to the difference between the two prices and this amount will be deducted from your Total Equity. Alternatively, if the value as at the Close of Business is less than the value determined at the close of the previous Business Day, you will make an unrealised profit, and the difference will be added to your Total Equity.

Adjustments for dividends and other corporate actions

If you hold a CFD over shares or indices, although you do not own the underlying share (and have no right or obligation to acquire or deliver the security itself), you will be financially affected by the following events.

Dividends

For CFD's over a share or shares: You will receive an amount equal to the ordinary cash dividend on the underlying share (excluding imputation or franking credits) if, at the Close of Business on the day prior to the Ex-Dividend Date of the underlying share, you hold a long CFD position.

You will pay an amount equal to the ordinary cash dividend on the underlying share (for some CFDs this amount will include the payment of imputation or franking credits) if, at the Close of Business on the day prior to the Ex-Dividend Date of the underlying share, you hold a short CFD position.

Cash dividends are debited and credited directly to your Account. You must ensure that you have sufficient funds in your Account to meet these obligations when you are holding short CFD positions.

For CFD's over an equity index: If you have an open trade in an index in which constituent companies are due to go ex-dividend, your account will be adjusted to reflect this.

The number of index points by which the index will open lower on the day of the ex-dividend(s) is dependent on the weighting of the companies concerned.

Buy trades are credited with the value of the aggregate index point effect times your stake.

Sell trades are debited the value of the aggregate index point effect times your stake.

Corporate actions

Adjustments relating to corporate actions in respect of the underlying share (for example takeovers, share reconstructions, rights issues and bonus issues) will generally be applied to your CFD position.

In the event of an adjustment event, Aliom may adjust the terms of your CFD or CFD order. If the company to which the underlying shares relates is the subject of a takeover offer, Aliom may elect to Close Out your CFD position prior to the closing date of the offer.

Voting rights

Aliom may receive voting rights in respect of the shares underlying your CFD. These rights are personal to Aliom and will not be passed on to you nor will Aliom accept any instructions in relation to these rights.

Conflict of interest

When you place an order for a CFD, Aliom may place a corresponding order on the relevant Exchange to purchase or sell that Underlying Financial Instrument or alternatively enter into the opposite transaction with a professional market participant

to hedge its market risk. Aliom has no obligation to do so and is under no obligation to inform you as to whether it has done so. These trading activities may affect (positively or negatively) the prices at which you may trade CFDs.

Aliom has discretion to refuse to accept an Order requested by you. For example we may refuse to accept an Order if there is a significant change in prices over a short period or where a lack of liquidity in the relevant market for the Underlying Financial Instrument lead to our corresponding order on the Exchange or with the professional market participant not being filled.

5. Benefits of CFDs

CFDs offer the following benefits:

- **hedging:** You can use CFDs to counteract the risk of an investment moving against you. For example, if you own a particular share and anticipate its price falling rather than selling the share you may elect to open a short CFD position over that share. If the price of the share does fall, any losses incurred from ownership of the share will be partially or wholly offset by the profit made on the CFD position.
- **leverage:** CFDs enable you to obtain full exposure to a share, currency or commodity for a fraction of the price of buying the Underlying Financial Instrument itself. This is because CFDs require you to outlay only a relatively small Initial Margin as a trading deposit. However, it is important to note that as well as working for you, this leverage may work against you. The risk of loss from trading in derivatives and leveraged products can be substantial, and you should carefully consider these risks in light of your specific financial objectives, needs and circumstances.
- **market positions and strategies:** You can use CFD trading strategies to profit from both rising or falling markets. However, given the uncertainty of market movements, there is no guarantee that the employment of CFD trading strategies will lead to profits and from time to time the employment of trading strategies may lead to losses. It is also important to note that some trading strategies are more complex than others and may have different levels of risk associated with them.
- **speculation:** You may use CFDs to speculate on the price of the Underlying Financial Instrument, for example a currency or commodity, with a view to profiting from fluctuations in its price without the need to buy or sell the Underlying Financial Instrument itself.

6. Risks of CFDs

This section does not detail ALL risks applicable to CFDs but rather seeks to highlight the key significant risks involved in CFD trading.

Investment in CFDs carries a high level of risk and returns are volatile. Aliom recommends that you obtain independent professional advice and carefully consider whether CFDs are appropriate for you in light of your knowledge, experience and financial needs and circumstances. CFD trading should not be undertaken unless you understand and are comfortable with the risks of geared investments.

- **Aliom risk** – Aliom may become unable to deal in CFDs as a result of a regulatory impediment (for example Aliom ceasing to hold an Australian Financial Services Licence or because ASIC imposes a stop order on the PDS issued by Aliom). In addition, as CFDs are an "over-the-counter" product, purchasers of CFDs do not enjoy the protections associated with the ASX or other licensed markets (such as the National Guarantee Fund). If you enter into a CFD with Aliom you take exposure to our credit risk and the risk that we may default and be unable to meet our obligations to you. Our ability to fulfill our obligations is linked to our financial wellbeing, which is commonly referred to as credit or counterparty risk. You must make your own assessment of our ability to meet our obligations. Aliom has not been rated by an external credit rating agency.

If you require information about our financial status please contact us and this will be provided free of charge.

- **Operational risk** – Operational risk is inherent in every CFD transaction. For example, a disruption to Aliom's communications systems, computers or Aliom DealBook may lead to delays in the execution or settlement of a transaction. Aliom has outsourced the operation of Aliom DealBook to a third party, and in doing so Aliom relies upon this third party to ensure the systems are updated and maintained. In addition, your ability to operate your Account depends on the continued operation of your internet and your personal computer. A fault or failure in any of these may cause delays in placing orders or operating your Account, resulting in financial losses. While Aliom endeavours to provide you with access to Aliom DealBook 24 hours a day, 7 days a week, we accept no responsibility for any liability incurred in connection with any fault, delay or failure of Aliom DealBook or related infrastructure.

- **External market forces** – External market forces may cause markets and prices to change quickly. These forces include 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 marketplace. As the price of your CFD is based on an underlying share, these factors may affect your CFD position. Furthermore, external events may cause the underlying share to be suspended from trading or have its quotation withdrawn from the Exchange on which it trades. This may affect our ability to continue to offer our products to you and may even result in us closing out an open CFD position.
- **Loss of Margin** – As CFDs are leveraged products, you may sustain losses greater than your Initial Margin. In addition you may be required to pay additional Margin as a result of Margin Calls made by us to cover losses and other fees arising in respect to your open and closed CFD positions.
- **Investment decisions** – It is important to note that this PDS does not take into account your investment objectives, financial situation or particular needs. Therefore, nothing in this PDS should be construed as a recommendation by Aliom or its associates to enter into CFD trading. You are solely responsible for the selection of the underlying for any CFD order you place with us. As such, the performance of any investment in your Account will depend mainly on your own investment decisions.
- **Gapping** - In fast moving or illiquid markets “gapping” may occur. Gapping occurs when market prices do not follow a “smooth” or continuous trend. Gapping is typically caused by external factors such as world, political, economic and corporate-related events. Should gapping occur in respect to the price of the Underlying Financial Instrument on which your CFD is based, you may not be able to Close Out an existing CFD position or open a new position at the price that you wish.
- **Account balances** –If the price of the Underlying Financial Instrument moves against you, you may be required to pay additional Margin. It is your responsibility to ensure that you have sufficient funds in your Account at all times to cover your Margin Requirement. Aliom reserves the right to Close Out your CFD positions, cancel your CFD orders or close your Account if you fail to meet a Margin Call or if Aliom determines (in its absolute discretion) that insufficient funds are retained in your Account at any time.
- **Leverage** – As CFDs are highly leveraged, a small price movement in the Underlying Financial Instrument on which your CFD is based may result in substantial losses (in the same way that these moves may result in substantial profits). You should note that these losses may exceed your Initial Margin and the value of any CFD position may be volatile.

Below is a hypothetical example of how gearing magnifies losses/profits (without taking into account fees & charges):

	Direct Share purchase	CFD purchase via Aliom
Initial outlay	\$10,000	\$10,000 (as initial margin)
Reference shares purchased	1000	10,000
Initial price	\$10.00	\$10.00
Value	\$10,000	\$100,000
Gearing	0%	90%
Share result where share price falls	Share price falls to \$8.75. Shares now worth \$8,750 (i.e. loss of \$1,250 or - 12.5%)	Share price falls to \$8.75. CFDs now worth \$87,500 (i.e. loss of \$12,500 or - 125% on original outlay of \$10,000)
Share result where share price rises	Share price rises to \$11.00 Shares now worth \$11,000 (i.e. profit of \$1,000 or +10%)	Share price rises to \$11.00 CFDs now worth \$110,000 (i.e. profit of \$10,000 or +100% on original outlay of \$10,000)

- **Liquidity** – Under certain conditions, it may be difficult or impossible to Close Out a position. For example, this may occur if there is a significant change in the price of the Underlying Financial Instrument over a short period of time.
- **Stop-Loss Orders may be unavailable** – You may place a 'stop loss' on your Open Positions to protect you from the constant movements in market prices. While this allows you to control potential losses in most circumstances, Stop-Loss Orders may not always limit your losses the way you anticipate. Unless you take out a Guaranteed Stop-Loss Order (for which a premium fee is payable), there are no guarantees in relation to Stop-Loss Orders, and due to the speed at which prices can move, they may be executed at a different price or not at all. See Section 9 for further details on how Stop-Loss Orders and Guaranteed Stop-Loss Orders work.

- **Foreign exchange risk** – Where transactions are denominated in a foreign currency (for example a transaction on an overseas market), Aliom may need to convert the Australian dollars it receives from you into foreign currency to meet the obligations arising in respect of the transaction. Similarly, if you are resident overseas and instruct Aliom to effect a transaction denominated in Australian dollars, you may need to convert the foreign currency into Australian dollars to meet the obligation arising in respect of the transaction. These conversion requirements may involve the entry into of foreign exchange transactions within the meaning of the Corporations Act. Aliom is authorised under its Australian Financial Services Licence to provide this service. However, dealing in foreign currency transactions may expose you to foreign exchange risks. Foreign exchange markets can move rapidly. Exchange rates depend on a number of factors including for example, interest rates, currency supply and demand and actions of government. In some situations, exchanges of currency may be suspended. In addition, there are always operational risks in foreign exchange transactions. For example, disruptions in our operational processes such as communications, computers and computer networks, may lead to delays in the execution and settlement of a transaction. You should have regard to these risks when considering transactions involving foreign exchange transactions.
- **Powers of Aliom** – If you fail to pay any amounts due to Aliom, including Margin Calls, or the maintenance of minimum Account balances, Aliom has power to Close Out positions, realise your losses (or gains) and close your Account. Under the Client Agreement you also indemnify Aliom and its employees, agents and representatives against certain losses and liabilities. You should read the Client Agreement carefully to ensure you understand these powers and responsibilities.
- **Aliom DealBook 360 and DealBookWeb operations risk** – You are responsible for providing and maintaining the means by which you access Aliom DealBook 360 and DealBookWeb. This may involve the use of a personal computer, modem and telephone or other access line. While the internet and the World Wide Web are generally reliable, technical problems or other conditions may delay or prevent access via the internet to Aliom DealBook. If you are unable to access the internet and (therefore cannot access the Aliom DealBook), you may be unable to trade in a CFD offered by Aliom when desired and may suffer a loss as a result. In addition, you may place your CFD orders via telephone with a representative of Aliom. In unforeseen and extreme market situations, Aliom may suspend the operation of Aliom DealBook or any telephone dealing. In such an event, Aliom may, at its absolute discretion (with or without notice), Close Out your open contracts at prices we consider to be fair and reasonable at such a time.
- **Reliance on third parties** - Data supplied by third parties, such as an Exchange, may be incorrect, delayed or become unavailable. Aliom is not responsible for the provision of this information nor the consequences if these services fail, are delayed or are incorrect.
- **Regulatory risk** - Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in CFDs.

This is only a summary of the significant risks involved in trading CFDs. Aliom strongly recommends you obtain independent advice before deciding to enter into a Client Agreement with us to trade in CFDs.

7. CFD Examples

The examples below are for illustrative purposes only. The rates and figures quoted are hypothetical and do not represent actual rates or figures. Profits and losses on CFDs are calculated by multiplying the size of the trade at closing by the difference between the closing price and opening price of the relevant trade less any amount payable to Aliom in relation to the trade such as a Commission or daily Financing Charge.

Example 1: Equity CFD

Shares in XYZ Ltd on the Australian Exchange are trading 4.53 – 4.55.

The Aliom quote for XYZ is also 4.53 – 4.55.

Note: the Aliom quote on an individual equity will be dependent upon the liquidity of the Underlying Financial Instrument. Larger trades may require us to widen the spread.

XYZ is announcing its 2nd quarter results tomorrow. In the belief the results will be better than expected, you BUY 2,500 CFDs. This means that for every cent the underlying share rises, you make AUD25, and for every cent it drops you lose AUD25. (This is equivalent in size to buying 2,500 shares in the underlying market itself.)

For this example the commission is 10 Basis Points. A commission of 10 Basis Points (CFDs x trade price x 0.10%) is debited from your account, i.e. $(2500 \times 4.55 \times 0.10\%) = 11.37$ AUD.

Note: Aliom's individual equity markets are subject to a minimum commission rate of 10 Basis Points. Other market products such as Indices, Bonds and Commodities are either commission-free, i.e. our charges are included in the spread, or have a commission component of up to 1.0% added.

As you hold the position overnight, a Financing Charge is made to your Account. This is calculated as follows: $f = (s \times p \times r) / d$ where:

f = daily Financing Charge

s = number of CFDs (2,500)

p = closing price as determined by Aliom (AUD4.56 – usually this will be the price on close of the underlying share)

r = relevant overnight LIBOR rate, PLUS 300 Basis Points for long positions, or MINUS 300 Basis Points for short positions, e.g. (3.75% + 3.00%) = 6.75%

d = number of days, i.e. 365 for UK and Australian shares and 360 for all others

Long (buy) trade positions are debited the daily Financing Charge.

Short (sell) trade positions are credited the daily Financing Charge.

So, the Financing Charge will be a debit to your Account, equal to: $(2,500 \times \text{AUD } 4.56 \times 6.75\%) / 365 = \text{AUD } 2.11$

Note: All rollovers and associated Financing Charges are carried out at 10pm London time.

At 9am the next morning, XYZ results are indeed above forecast. By 10:30am the share is trading at 4.76 – 4.77. You decide to take your profit and SELL 2,500 XYZ CFDs at 4.76, thus closing your trade.

Again, the closing trade is subject to a Commission charge of 10 Basis Points, or $(2500 \times 4.76 \times 0.10\%) = \text{AUD } 11.90$. You realise a profit of $(\text{AUD } 4.76 - \text{AUD } 4.55) \times \text{your stake of } 2,500 \text{ CFDs} = \text{AUD } 525$.

After taking into account the Financing Charge and Commission, you have made a net profit of $(525 - 11.37 - 11.90 - 2.11) = \text{AUD } 499.62$

Reminder: When you trade CFDs you are always trading the in “base” currency of the underlying market. E.g. if you trade a UK share you are trading in pennies.

Example 2: Stock Index CFD

The S&P/ASX 200 index is trading around 4900. After a strong rally of 200 points over the last month you believe the market may be due a fall, and see that the Aliom current quote for S&P/ASX 200 cash is 4900 - 4904.

You SELL 10 CFDs at 4900. For every point that our quote on the S&P/ASX 200 index falls you will profit 10 AUD, yet for every point the index rises you will lose 10 AUD.

Two days later you see that our quote on the S&P/ASX 200 has actually risen to 4940 - 4944. Deciding to cut your losses you close your trade and BUY AUD10 at 4944.

This trade resulted in a loss of $(4900 - 4944) \times \text{your stake of } 10 \text{ CFDs} = \text{AUD } 440$.

You will have incurred 2 days' Financing Charges for this rolling trade. The amount is calculated as follows: $f = (s \times p \times r) / d$ where:

f = daily Financing Charge

s = your stake (10 CFDs)

p = closing price as determined by GFT (e.g. Day 1: 4912.0 and Day 2: 4935.0)

r = relevant LIBOR rate, PLUS 300 Basis Points for long positions, or MINUS 300 Basis Points for short positions (here this is $(3.75\% - 3.00\%) = 0.75\%$)

d = number of days, i.e. 365 for UK and Australian shares and 360 for all others

Long (buy) rolling trade positions are debited the daily Financing Charge.

Short (sell) rolling trade positions are credited the daily Financing Charge.

So, the Financing Charge will be a credit to your Account, equal to:

Day One $(10 \times 4912.0 \times 0.75\%) / 365 = \text{AUD } 1.010$

Day Two $(10 \times 4935.0 \times 0.75\%) / 365 = \text{AUD } 1.01$.

i.e. Total Financing Charge = AUD2.01
Dividends: if you have an open trade in an index in which constituent companies are due to go ex-dividend, your Account will be adjusted to reflect this.

The number of index points by which the index will open lower on the day of the ex-dividend(s) is dependent on the weighting of the companies concerned.

Buy trades are credited with the value of the aggregate index point effect times your stake.

Sell trades are debited the value of the aggregate index point effect times your stake.

Example 3: Metal CFD

It is June and the price of gold has been soaring recently as speculators push the price higher and higher. You decide the rally still has further to go and check the Aliom trading platform for Gold quotes. Our Gold quote is based on the underlying futures contract, and in this case our quote for Gold – September is 680.0 – 680.7.

You BUY 20 CFDs at 680.7, and here you should note that you are trading “per 0.1”, i.e. if Gold moves from 680.0 to 681.0, that is 10 “ticks”, or equivalent to a USD200 move on a trade of 20 CFDs. Note that the base currency of the underlying Gold futures market is USD, so this is what you will be trading in.

Reminder: “Trading Per” values are shown on order tickets for easy reference.

This trade, if left, would expire (i.e. close automatically) on August 18th. (Hint: for details of all market expiry dates, please see our Market Information Sheet below.) However, by the beginning of July the price has already risen through the USD700 level, and our quote is 702.5 – 703.2.

You decide to close part of your position and SELL 10 CFDs at 702.5.

This realises a profit of $(7025 - 6807) \times \text{your stake of } 10 = \text{USD}2180$.

You leave the remaining 10 CFD trade to run until expiry of the market in August. Unfortunately by then the profit-takers have stepped in and the market expires at 675.5.

On this remaining 10 CFD trade you have realised a loss of $(6807 - 6755) \times 10 = \text{USD}520$.

Overall, the 20 CFD trade results in a profit of $\text{USD } (2180 - 520) = \text{USD}1660$.

Example 4: Government Bond CFD

Ahead of a busy week on the UK economic data calendar, you decide that the data will be hawkish for UK interest rates, and that the price of the benchmark UK government bond – the “Long Gilt” – should fall as a result.

The Aliom quote for UK Gilt – September 06 is 110.45 – 110.48 and you SELL 100 CFDs at 110.45.

By Friday it appears that the data has in fact been relatively in-line with market expectations. After trading in a tight range all week, Gilt futures have now started to rally.

The current Aliom quote is now 110.63 – 110.66. You decide it is time to cut your losses and BUY 100 CFDs at 110.66, resulting in a loss of $(11045 - 11066)$ times your stake of 100 = a loss of AUD2100.

Individual circumstances and events such as changes in the LIBOR rate may affect the outcomes set out in the above examples. For example, if the relevant LIBOR rate falls below 3%, you will not earn any financing interest on short CFD positions.

8. Opening an Account

Prior to transacting in CFDs, you must read and understand our FSG, this PDS and the Client Agreement.

Before opening an Account, you must sign our Client Agreement. This is an important legal document containing the terms and conditions which govern Aliom relationship with you. It will be provided to you separately by Aliom.

We recommend that you consider seeking independent legal advice before entering into the Client Agreement as the terms and conditions detailed in that agreement are important and affect your dealings with us.

You must complete, sign and return a Client Agreement, and have your application to open an Account approved by Aliom. Aliom may refuse to open an Account for any person.

All deposits are accounted for in the Base Currency which will be in AUD. When sending funds to Aliom, please send the same currency as the Base Currency of your Account.

A minimum deposit of AUD5,000 is required in order to activate an Account. Other types of accounts are available which offer varying additional components of functionality, and minimum deposits for these accounts are higher. Please contact

Aliom, refer to the Market Information Sheet or visit www.aliomonline.com.au for details of the various types of accounts on offer. Once activated, a minimum balance equal to the minimum deposit should be maintained at all times. Should your balance fall below this amount, Aliom reserves the right to reduce or Close Out your CFD positions and close your Account.

Please note that the above amounts may be varied from time to time. Aliom will provide you with written advice of any such variation.

9. Operating an Account

Orders

Aliom DealBook provides you with the ability to trade online by simply selecting the Underlying Financial Instrument, quantity and price you wish to deal. Aliom DealBook provides you with live prices, company information, news reports and a comprehensive suite of trading tools. Aliom DealBook also has a portfolio management system that enables you to monitor your Open Positions and manage your risk in real-time.

Whenever you place an order on Aliom DealBook, you will receive an instant Confirmation as to the status of your order.

If you are seeking to execute a “large contract” you will need to “request a quote” from Aliom prior to execution of the order. This “request for a quote” is performed online.

Should the system be unavailable, or if you would prefer to place orders with an Aliom representative, you may place orders via the telephone. We note however that phone orders with Aliom that result in a transaction occurring will incur an additional fee of up to AUD50 per order placed (other than for those large contracts whereby clients are requesting a quote).

Once an order is received, either electronically or via the telephone, Aliom may at or about the same time perform a “back to back” contract (in its own name) with a professional counterparty to hedge its book so that it has no direct market exposure.

All open contracts can be viewed in the Open Positions window and in the statements function on Aliom Dealbook. Available reports include “detail transaction report” and “session history report”.

CFDs can only be traded during the market operating hours. However orders can be placed at any time.

We strongly discourage clients from placing market orders at times OUTSIDE of market hours, as orders may automatically be filled once the market opens at levels which are not considered to be advantageous.

The CFD prices at which you trade will reflect the price of the Underlying Financial Instrument to which the CFD relates. However, the real time dealing prices provided on Aliom DealBook are the prices that Aliom is offering for their CFDs, and may not be the same as those in the underlying market for the Underlying Financial Instrument.

Aliom does not accept liability for the operation of Aliom DealBook, except to the extent that any loss or damage is caused by the fraud or dishonesty on the part of Aliom or its employees, agents or representatives. Aliom makes no warranty (either express or implied), as to the description, quality, performance or suitability for your purpose of Aliom DealBook.

You can trade CFDs on Margin and Close Out the position. Trading on Margin means that you are able to receive the commercial benefits of trading in CFDs, while avoiding the need to outlay the entire capital value of the transaction. Aliom does not offer trading of CFD contracts for actual delivery.

In addition to being able to enter an order into Aliom DealBook which is an instruction to buy or sell a CFD, at the current bid or offer price quoted by Aliom, you may also place a Limit Order or Stop-Loss Order.

- **Market Order** – an instruction to buy or sell a CFD at the current bid or offer price of the underlying security or trading instrument quoted by Aliom. Aliom in its absolute discretion can accept or reject the Market Order.
- **Limit Order** – an instruction to either buy or sell a CFD at the price threshold you have specified or at a price that is more favourable than the price threshold you have specified for the specified contract or option. There is a possibility that this kind of order will not be filled.
- **Stop-Loss Order** – an instruction to Close Out or enter into the CFD at the best available price after a pre-determined price threshold is reached. Putting a Stop-Loss Order on your position will allow you to potentially limit potential losses from adverse market fluctuations by closing your position at the best available price after the market price passes the price threshold you have set.
- **Contingent order** – an instruction to place a Limit Order or a Stop-Loss Order to open a new position, while at the same time, another order is placed (Second Order). However this Second Order will only be effective if the parent order is executed. A contingent order cannot be attached to an existing Open Position. It must be placed when you open your position. For purposes of scaling out of a position, a client can place up to 5 contingent orders together with one parent order.

- **If Then Order** - an order which is contingent upon a working order being filled and which must be accepted before being attached to a working order. These orders can be If Then Limit or If Then Market orders.
- **Pair Trade Order** – the client can set an instruction by setting the difference between two symbols, and when the condition is met based upon the selected difference between the two symbols, an order is placed. These can be executed as market or OCO orders.
- **Order Cancels Order (OCO)** - two separate Stop-Loss or Limit Orders that are linked together and placed as one order. When one of the linked orders is executed, the other order is automatically cancelled by the system
 - a) **Straddle Order** – this is a combination of buy and sell in OCO form. For example, a user may place a buy stop above the market, and a sell stop below the market as OCO orders. If one fills the other is automatically cancelled. The opposite of the above would also be allowed.
 - b) **Bracket Order** – a pair of OCO orders, Profit Target and Stop-Loss, is placed and once one of the pair is filled, the other is cancelled automatically. In the case of a partial fill of one of the orders, the number of contracts for the reciprocal order is reduced accordingly. Profit Target and Stop-Loss are defined in Pips.
- **Trailing Stop-Loss Orders** - an instruction to place a Stop-Loss Order at a specific distance from Aliom's current price (**Stop Distance**). If Aliom's current price moves favourably away from the level of the Stop-Loss Order, the Stop-Loss Order will move so that the Stop Distance is maintained.

However, this does not apply if the price has moved against you and then moves in your favour. If Aliom's current price moves adversely to the level of the Stop-Loss Order:

- the level of the Stop-Loss Order will not move, unless (before the trailing Stop-Loss Order is executed – see below) the price starts to move favourably to the level of the Stop-Loss Order. If the price (having moved adversely) does start to move favourably, the Stop-Loss Order will remain static unless and until the Stop Distance has been restored;
- if the level of the Stop-Loss Order is reached, the Stop-Loss Order will be executed;
- the gap between Aliom's current price and the level of the Stop-Loss Order cannot be more than the Stop Distance, but it may be less if Aliom's current price moves adversely; and
- if Aliom's current price moves in one direction and then another, the level of the Stop-Loss Order may or may not move, as outlined above.

Trailing stops can be placed on OCO orders.

The system will allow you to scale out of a position by placing up to 5 contingent trailing stops for each order in a pair of OCO orders.

- **Guaranteed Stop-Loss Order** - An instruction to limit your losses, both during and outside market hours, to the amount specified. A Guaranteed Stop-Loss Order means that even if the market gaps through and goes past your price threshold, the order will be filled at the price threshold set by you. A Guaranteed Stop-Loss Order is available only on selected markets (Stock Index CFD's) and order types (Contingent orders) and is subject to certain premium fees, taking into account market volatility, liquidity and the type of underlying. A minimum distance (price differential) between the opening order and the Guaranteed Stop-Loss will also apply. The applicable minimum distance level will appear on the Contingent order when a Guaranteed Stop-Loss order is being input.
- **Chart Line Order** – this order type allows the users to set orders based on a line drawn on a chart maintained by Aliom, such as a trend line or a Fibonacci retracement. The order may be a Market or Limit Order that may be executed at or within 10 Pips of the selected line.
- **Market On Close /Time Orders** - market on close orders are specified to be executed only at the time of market close on a specified market. Time orders allow the user to create orders that will only execute between user-specified time frames.

Each client is responsible for all orders placed by that client, and should fully understand the mechanics and method of execution of each order before placing it. Aliom's descriptions of the various types of orders are necessarily summaries, and do not describe all aspects of each order. If you have any questions as to how any of the types of orders will be executed, please call an Aliom representative for an explanation.

A Stop-Loss Order or Limit Order can only be placed when you first initiate the trade. Such orders cannot be closer to the prevailing price of the underlying price quoted by Aliom than the minimum stop level. All orders, including Stop-Loss Orders, Limit Orders and Guaranteed Stop-Losses, are "good-till-cancelled". This means the order remains in place until the earlier of you cancelling the order or the order is executed.

Neither a Stop-Loss Order nor a Limit Order is guaranteed in that both are subject to gapping through in the market. Gapping through is the result of a rapid movement in prices or where the market jumps from one price to a much higher or lower price. Where gapping through occurs it may result in a Stop-Loss Order or a Limit Order being filled at a price different than the specified threshold. Stop-Loss Orders will be filled at a price worse than the threshold price.

Slippage and gapping through

Slippage is a term referring to a market situation in which a Stop-Loss Order or Limit Order for a particular CFD trade is filled at a price which is different from the specified threshold of the Stop-Loss Order or Limit Order because the relevant price quoted moves from one quoted price to a different quoted price without allowing any trades to be made at a price between the two quoted prices. Slippage may occur at any time but is characterised, and more likely to occur, when prices are unavailable to be quoted, for example, when Aliom or the underlying market is closed, around fundamental announcements in respect of an Underlying Financial Instrument or at times of extreme market volatility.

- **Closed market** - Aliom is closed from 17:00 hours (5:00 p.m.) (US ET) each Friday to 17:00 hours (5:00 p.m.) (US ET) each Sunday. During this time markets for Underlying Financial Instruments may move and Aliom prices will not reflect those movements until Aliom reopens. Any Stop-Loss Order or Limit Orders which would otherwise be due for execution as the price moves towards the specified threshold will only be filled when Aliom opens again at 17:00 hours (5:00 p.m.) (US ET) on a Sunday and only if the quoted price remains below the Stop-Loss Order threshold price or above the Limit Order threshold price, as appropriate.
- **Fundamental announcements and extreme volatility** - prices may slip during fundamental announcements and extreme market volatility. This means that there are no tradable prices between the quoted price prior to the fundamental release, or world event, and the quoted price available after the market has adjusted, following the release or event. Prices move very quickly and orders are filled, in some cases, at prices very far away from the stop price. This can be a consequence in any market that is affected by an influx of data around these times.

Gapping through is the result of a rapid movement in prices or where the market jumps from one price to a much higher or lower price. Where gapping through occurs, it may result in a Stop-Loss Order or Limit Order being filled at a price different than the specified threshold. Stop-Loss Orders will be filled at a price worse than the threshold price while Limit Orders will be filled at a price higher than the threshold price.

The difference between slippage and gapping through is that slippage is caused when there is a temporary lack of quoted prices while gapping through reflects a market which is subject to extreme volatility and where the prices change too rapidly for the relevant order to be executed.

The client has the ability to control slippage on direct deal orders. When the client submits an order, they can select the amount of slippage that they will accept. The client enters a range in Pips, either better or worse, than the direct rate entered. If the market is within this range, they will be filled at the new price. The fill may, however, be different than the direct deal price that they submitted.

The risks associated with slippage or gapping through on a CFD contract can be limited by making a Guaranteed Stop-Loss Order which is guaranteed to be executed at the specified threshold price regardless of the movements in or closure of the market. Please note however, a Guaranteed Stop-Loss Order is available only on selected markets and is subject to certain premium fees.

Spike Prices

No Stop-Loss Orders or Limit Orders will be filled if an invalid price spike occurs. Bad price spikes occur when an incorrect price is entered into Aliom DealBook. Bad price spikes are removed from the price charts quickly to alleviate confusion.

Funding your Account

You may transfer funds to your Account using any of the following methods:

- Bank transfer;
- Cheque.

When transferring funds to Aliom funds must be appropriately referenced with your Account number to ensure we can identify your funds and apply them to your Account promptly. All payments made to Aliom must be made free of any withholding tax or deduction.

Aliom will credit funds to your Account when the funds transferred to us have cleared. We therefore recommend that you maintain a sufficient balance of cleared funds in your Account at all times in order to ensure your Open Positions are maintained.

Aliom will only accept funds transferred directly from you. We do not accept funds for the credit of your Account that have been transferred by third parties. You must ensure that all funds transferred to us are from the bank account you have

nominated in your Application. We may, in our absolute discretion, return any funds transferred or cheque received from a third party.

Aliom will not accept any liability or responsibility for any losses that you may suffer as a result of, or arising out of, or in connection with, us returning any transfer of funds or cheque payment.

Client Instructions, Statements & Confirmations

Aliom accepts CFD transaction order instructions in any of the following ways:

- electronically, via Aliom DealBook;
- telephone (calls will be recorded); or
- in writing (including email or facsimile, where agreed).

If you are aware or suspect that your username and password to Aliom DealBook is no longer confidential, you must contact us immediately.

When placing orders with us, it is your responsibility to ensure that any order instructions you provide to us have in fact been received by us.

In addition, following the placing of an order you must review all Confirmations we provide, to ensure their accuracy. Any order discrepancies identified must be reported to us immediately.

Aliom will provide you with access to both daily and historical Account statements via our Aliom DealBook. You can use this service to check your Open Positions, Margin Requirements and Cash balances, and trading confirmations.

Aliom will also report all Open Positions and open orders to you via Aliom DealBook, with a daily statement providing a summary of Open Positions, Available Equity, Margin Requirements, Cash balances, and fees and charges provided to you on a daily basis at the end of each trading day.

We encourage you to become familiar with the statements Aliom provides to you and understand how to read and understand key elements of these statements such as your Margin Requirements, Open Positions and any Available E. Much of this information is provided in an easy to read format in the summary section of your statement.

You must access Aliom DealBook on at least a daily basis to confirm all orders that you have placed with us and monitor your margin obligations.

If you have any queries regarding your statements please contact us.

Withdrawing Your Funds

You may withdraw funds from your Account by sending us a withdrawal request by fax, email or post confirming the amount you wish to withdraw. Funds will only be paid to the bank account which you have nominated in your Application and will not be paid to the account of a third party, unless we agree otherwise at our discretion.

You may only withdraw funds from your Account after your Margin obligations have been met. Funds which are available to be withdrawn are described as Available Equity on your Account statement. Fees and charges including interest may be deducted from the amount of Available Equity available from time to time. If you withdraw the minimum balance from your Account, Aliom may close your Account.

Opening and Closing CFD Positions

You can open both "long" and "short" CFD positions with Aliom (see Sections 3 and 4 above for an explanation of "long" and "short" positions).

To close an open CFD position, you simply open an equivalent offsetting position. The closure of a position will generally result in a profit or loss being realised in your Account. You can also partially close an open "long" or "short" position by entering into an offsetting position of a lesser amount than your current Open Position.

Note that Aliom is not obliged to accept your orders. For example this may occur if you exceed the limits imposed on your Account by Aliom, or where there are insufficient funds in your Account to meet your margin obligations.

On the day that a CFD position is closed, Aliom will calculate the remaining payment rights and obligations to reflect movements in the contract value since the previous business close (including interest and other credits/debits) and debit (or credit) your Account.

In addition to orders to Close Out CFD positions received by you, Aliom may also Close Out your CFD positions in the following market events. Aliom may also cancel an order in respect of a CFD in these circumstances.

- If the company over whose shares a CFD is written goes into external administration, your CFD position will be Closed Out by Aliom. In these cases, Aliom, acting reasonably, will determine the Closing Price of the CFD and reserves the right to adjust the margin.
- If the Underlying Financial Instruments over which a CFD was written cease to be traded on the Exchange on which they were listed or are suspended from trading for more than 5 consecutive Business Days, Aliom may Close Out any CFD positions written over those Underlying Financial Instruments and/or call for additional Margin, as determined by Aliom.

You should note that CFDs do not have an expiry date. CFD contracts remain open until they are closed. A CFD position can only be closed by contacting Aliom. It is not possible to close the CFD by giving instructions to another broker or Australian financial services licensee.

If you wish to close your CFD position, you can contact Aliom, either electronically or by telephone, to determine the current market price for the Underlying Financial Instrument. Aliom will confirm the current market price and you can then decide whether to accept the price. If you instruct Aliom to close your Open Position in accordance with your instructions, Aliom will calculate the total Closing Value of the CFD by multiplying by reference to the price of the Underlying Financial Instrument.

10. Fees and Charges

Fees and charges when dealing in CFDs may incorporate any or all of the following:

- Commission on executed trades;
- administration charges;
- service fees;
- daily Financing Charges on some CFDs; and
- interest on negative Account balances.

Commission

Aliom charges a Commission on all Order executions detailed in the Commission table below.

The Commission charge on any given trade executed will be the greater of:

- the amount that is calculated by multiplying the Commission rate by the notional value of the CFD; or
- the minimum Commission as outlined in the Commission table.

Commission is not subject to Goods and Services Tax (GST).

The Commission will be debited from your Account as soon as possible after a CFD Order is executed. Details of your Commission charges are provided in your daily and historical statements.

Aliom may change its Commission structure from time to time in which case a new or supplementary PDS will be issued and the Market Information Sheet may also be updated.

Commission Table	Rate	Minimum
Country's Share CFDs		
Australia	Up to 1.0%	AUD10
USA	Up to 5US cents per share	USD15
Other countries	Up to 1.0%	EUR15
Stock Index CFDs		
	Up to 0.01%	N/A
Commodity, Bond and Interest Rate CFDs		
	Up to 1.0%	AUD5

For example, if you purchase 2,500 CFDs over XYZ shares (quoted on the ASX) at a price of AUD4.55 you will be charged a commission of up to AUD22.75 (being [2,500] x [AUD4.55] x [0.2%]).

Administration Charges

Aliom may also charge fees for certain administrative services which may occur from time to time in the course of your dealings with us. Administrative services to which fees are applicable are outlined in the following table.

Administrative Service	Fee (incl. GST)
Withdrawal (same day value)	At bank rates
Duplicate Statement	\$20 per statement
Selected news feeds on Aliom DealBook	Variable (contact Aliom for relevant rates)

Services Fees

Guaranteed Stop Loss Fees: Guaranteed Stop-Loss orders can only be entered when entering a Contingent order under certain circumstances (refer Section 9). The fee payable for placing a Guaranteed Stop-Loss order will be a two point premium added to the price of the parent order (see Contingent order)..

Phone order fees: Phone orders placed with an Aliom representative that result in a transaction will incur an additional fee of up to AUD50 per order placed.

Daily Financing Charges

A daily Financing Charge is applied in respect of CFD trades relating to cash indices, individual equities, and cash metals. The Financing Charge is levied for each day that the trade remains open (including weekends and public holidays). The Financing Charge is applied to all Open Positions at 22:00 hours (10pm London time) on each Business Day.

Accordingly, if you hold "long" (buy) CFD positions, you will have to pay the daily Financing Charge, which will be debited from your Account Balance. If you hold "short" (sell) CFD positions, Aliom will pay you the Financing Charge, which will be credited to your Account Balance.

The daily Financing Charge is calculated as follows: $f = (s \times p \times r) / d$ where:

f = daily Financing Charge;

s = number of CFDs;

p = closing price as determined by Aliom (usually this will be the closing price of the underlying share);

r = relevant overnight LIBOR rate, PLUS 300 Basis Points for long positions, or MINUS 300 Basis Points for short positions; and

d = number of days (365 days for UK and Australian shares and 360 for all others).

Accordingly, using the above example, if you hold the 2,500 CFD's for XYZ shares for 2 days and the closing price on day 1 is AUD4.60 and on day 2 is AUD4.70, the LIBOR rate on day 1 is 3.75% and day 2 is 3.70%, the daily finance charge will be as follows:

- Day 1: $(2,500 \times \text{AUD}4.60 \times [3.75\% + 3\%]) / 365 = \text{AUD}2.13$;
- Day 2: $(2,500 \times \text{AUD}4.70 \times [3.70\% + 3\%]) / 365 = \text{AUD}2.16$.

Accordingly, at the end of day 1, AUD2.13 will be debited to your Account and at the end of day 2, AUD2.16 will be further debited to your Account. You must always maintain enough funds in your Account in addition to the Margin to cover these Financing Charges.

In the case of CFD trades relating to individual equities and cash indices, the Financing Charge is debited from your Account in the case of long CFD trades and credited to your Account in the case of short CFD trades.

If the relevant LIBOR rate falls below 3%, you will not earn any financing interest on short CFD positions.

Should you wish to know the relevant LIBOR rate please contact Aliom.

Financing Charges are subject to fluctuation due to, but not exclusively, changes in the applicable interest rate forming part of the calculation of such charges. As provided in the Client Agreement, Aliom reserves the right, from time to time during the lifetime of any CFD contract when the need to do so is brought about by, amongst other things, volatile market conditions, to vary Financing Charges and also to impose Financing Charges on products that were not previously subject to such charges, irrespective of whether such financing was not payable at the time of opening a CFD trade in respect of the CFD market in question.

Interest on Negative Account Balances

Numerous transactions may be required to stabilize your Account and such transactions may result in fees that overtake the value/assets of your Account. Should such an event occur, you are responsible for paying such fees within a designated

period of time. Failure to satisfy this requirement may result in your positions being liquidated at a loss to cover such fees. Further, where funds maintained in your Account are insufficient to meet losses, fees and other charges, you will be required to bring your Account to a zero balance, at least, within forty eight (48) hours after the occurrence and you agree to be liable to Aliom for interest on amounts due from the client to Aliom at an interest rate equal to two (2) percentage points above the then prevailing prime rate at Aliom's principal bank or the maximum interest rate allowed by law whichever is lower. If you fail to bring your Account to a zero balance, at least, within forty eight (48) hours after the occurrence, you will be subject to legal proceedings and the court and legal fees spent to recover these amounts due.

Reductions & waivers

Aliom may in its absolute discretion quote different prices, and reduce or waive the minimum deposit amount, the minimum Account balance, Commission rates, daily Financing Charges, interest rates on debit balances, fees (including royalties or fees for third party services) or transaction charges for individual clients or for classes of clients at any time without the issue of a supplementary or revised PDS.

Third party charges

The fees and charges payable by you to Aliom may differ from the fees and charges payable by Aliom to its third party service providers from time to time.

11. Dispute Resolution

Aliom takes every step possible to ensure we provide you with quality service. Aliom has an internal dispute resolution policy in place to resolve any complaints or concerns you may have about the service provided to you. Any complaints should initially be directed to our Complaints Officer (by telephone, facsimile, or letter) at the address provided in Section 2 Product Issuer Details, or by email complaints@aliom.com.au.

We will provide you with acknowledgement of written complaints within 5 Business Days, and seek to resolve and respond to your complaint within 30 days of receipt. We will investigate your complaint, and provide you with our decision, and the reasons for which it is based in writing. We will endeavour to resolve your complaint quickly and fairly.

If the complaint cannot be resolved to your satisfaction within 45 days and you wish to proceed further, you may lodge a complaint with the Financials Ombudsman Service (FOS) via the following means:

Financial Ombudsman Service

GPO Box 3, Melbourne Vic 8007

Email: info@fos.org.au

Website: www.fos.org.au

Toll Free Telephone: 1300 78 08 08

Fax: 03 9613 6399

You may also contact Australian Securities and Investments Commission (ASIC) freecall Infoline on 1300 300 630 to make a complaint and obtain information about your rights.

12. Taxation Consideration

This section is necessarily general in nature and does not take into account your personal financial situation. The information contained in this section is provided for guidance only as taxation law is complex and is not legal or tax advice. You should seek professional taxation advice based on your personal financial and taxation position before dealing in CFDs. Additionally, the information provided below is for Australian residents only based on the taxation laws in Australia current as at the date of this PDS.

Taxation Ruling

The Commissioner of Taxation has released a ruling relating to the income and capital gains tax consequences of dealing in financial CFDs; Taxation Ruling TR 2005/15. This Ruling is a public ruling for the purposes of Part IVA of the Taxation Administration Act 1953 and is available from the website of the Australian Taxation Office at www.ato.gov.au.

As a public ruling, if TR 2005/15 applies to an investor, the Commissioner is bound to administer the law in accordance with the Ruling, until the Ruling is changed or withdrawn. If there is a taxation shortfall due to an investor not following the terms of the ruling, then penalties may apply.

This section set out a summary of parts of the Commissioner's ruling and a full understanding of the Commissioner's position can only be obtained through a full reading and analysis of that ruling.

Gains or Losses - CFDs traded on revenue account

The Commissioner's Ruling states that gains made from dealing in a CFD will be assessable for income for tax purposes, and any losses will be deductible under the Income Tax Assessment Act 1997 (ITAA 1997), provided that:

- the CFD transaction is entered into as an ordinary incident of carrying on a business; or
- the CFD transaction is entered into as part of a profit making undertaking or scheme.

If the CFD is entered into as part of the ordinary incident of carrying on a business then gains will be assessable. If the CFD transaction is entered as part of a profit-making undertaking or scheme, and it does not fall within the gambling exemption, then the gains will be assessable and the losses deductible. This would generally be calculated on the date the position is closed.

The Commissioner has indicated that the nature of CFD trading is likely to mean that in general they will have a commercial nature, and so would not have the recreational or sporting character required for the gambling exemption, and indicated that the CFD is held and traded on revenue account. However, it may still be possible, in very limited circumstances to show that a person has entered into a CFD for gambling purposes.

Gains or Losses - CFDs traded on capital account

If a CFD is classified as a capital asset under the ITAA 97, then upon disposal of the asset, either by maturity or by closing it out, a Capital Gains Tax (CGT) Event will occur. The calculation of the gain or loss would generally take into account any gain or loss included in assessable income under other provisions of the ITAA 97.

However, in applicable circumstances, the CGT gambling exemption will apply to disregard capital gains or capital losses from financial CFDs where the CGT event is related directly to gambling.

Financing Charges

Financing Charges paid or received on relevant CFDs held overnight will form part of the net gain or loss made on that particular CFD transaction.

Please note that if you do not provide us with your tax file number or ABN (which is not compulsory), we will be obliged to deduct tax from any Financing Charge payment at the applicable rate plus Medicare levy.

Dividend Adjustments and Corporate Events

Dividend Adjustments are paid or received on relevant CFDs within 24 hours of the ex-dividend date and will form part of the net gain or loss made on that particular CFD transaction. See the Market Information Sheet for applicable dividend adjustment rates.

Commissions, Fees and Other charges

Commissions, fees or other charges payable to Aliom on CFD trading will generally be allowable as deductions at the time they are debited from your Account if they are regarded as "having been incurred for the purpose of deriving assessable income". In this case, these payments will form part of the net gain or loss made on that particular CFD transaction.

Goods and Services Tax (GST) Ruling

The Commissioner has also released guidance relating to the GST implications of trading in CFDs; GST Determination GSTD 2005/3. The Commissioner has stated that the costs incurred in having a CFD position open, such as commissions (on both opening and closing), Dividend Adjustments and Corporate Event adjustments, Interest Charges and Margins are all considered financial supplies under the A New Tax System (Goods and Services Tax) Act 1999 ('the GST Act'). Consequently, they are input credit taxed and no GST is payable on their supply.

Please note that should GST become payable by us in respect on any supply made to you in connection with this PDS, Aliom may require you to pay an additional amount on account of GST.

Stamp Duty

CFD transactions (including opening a CFD position, payments made under a CFD and closing out a CFD position) do not give rise to stamp duty liability.

13. Privacy

We will maintain complete records of the services we provide to you in accordance with Australian Laws. As a financial services provider, we have an obligation under the Anti Money Laundering and Counter Terrorism Financing Act to (amongst other things) verify your identity and understand the reasons behind your transactions. If we are unable to collect all information requested in the Account opening process or requested by us at any other time, we may be unable to provide or continue to provide services. We may retain copies of any information you provide us.

We also keep a record of personal information you provide to us. Your privacy is important to us and we are committed to compliance with the Privacy Act and National Privacy Principles. We maintain a record of your personal profile which

includes your personal details. Aliom may use the personal information you provide for the purposes of CFD trading with you and for direct marketing of products and other services offered by Aliom or an organisation we are affiliated with or represent. You have the right to request not to receive direct marketing material.

We may disclose your personal information to external parties, such as our financial services providers, for the purposes of arranging your investments or transactions. Such external parties are required and committed to protecting your privacy.

Telephone calls with us may be recorded to allow for a record to be kept of orders taken and to ensure that our service standards are met.

If you wish to access information we hold about you or have any concerns, please contact us. A copy of our privacy policy is available from us or our website www.aliom.com.

14. Other Considerations

Aliom Default Powers

Aliom has extensive powers under the terms of our Client Agreement to take action in response to a range of default events. Such default events include the following:

- your failure to make a payment when due and payable, including any Margin Call or obligation;
- your failure to duly and punctually perform and observe any obligation or warranty under our Client Agreement;
- your provision of a false or misleading representation;
- your entry into a scheme of arrangement or compromise with your creditors, or contemplation thereof;
- your insolvency or appointment of a receiver, administrator or manager over your assets;
- a resolution or order for your winding up or liquidation;
- your death, bankruptcy or reduction in mental capacity;
- your guarantee becomes defective or insufficient; or
- your unavailability to be contacted for instructions for more than 24 hours (without nominating alternative arrangements).

In the event of any of the above events, Aliom may terminate your Account, and Close Out all or any of your CFD positions, including cancelling any outstanding orders. Further we may satisfy any obligation you have to Aliom out of any property, money or security belonging to you in Aliom's custody. We may exercise any other power or right which Aliom may have pursuant to our Client Agreement or in law or equity.

Client Money

Funds deposited with Aliom for CFD trading are deposited into a clients' segregated account in accordance with the requirements of the Corporations Act. Unless otherwise agreed with Aliom, you waive the right to any interest on funds deposited with Aliom. Money or property deposited with Aliom may only be invested according to the Corporations Act, and such investments are at your sole risk.

For money deposited in Aliom's clients' segregated account, you acknowledge that:

- individual client accounts are not separated from each other;
- all clients' funds are deposited into the one clients' segregated account;
- Clients' segregated account provisions may not insulate any individual client's funds from a default in Aliom's clients' segregated account. Such a default may arise from any client's trading;
- assets in Aliom's clients' segregated account belonging to non-defaulting clients are potentially at risk, even though you did not cause the default;
- Aliom has the right to apply all clients' money held in our clients' segregated account to meet any default in that account.

Aliom does not accept payments from third parties, or make payments to any third parties unless we agree otherwise at our discretion. In accordance with Australian anti-money laundering regulations, Aliom reports, where necessary, any suspect transactions to AUSTRAC.

Aliom is entitled to retain all interest earned on client money held in segregated accounts with a bank, approved deposit-taking institution and/or Exchange clearing house. The rate of interest earned by Aliom on these accounts is determined by the provider of the deposit facility.

15. Glossary

Below is a list and the meaning of some words used in this PDS.

Account - The account opened by you with Aliom, which is established in accordance with the terms and conditions of the Client Agreement.

Account Balance - At any given time, the Base Currency amount of funds in the Account after all credits and debits have been made.

Aliom - Aliom Pty Limited.

Aliom DealBook - Aliom's online trading platform, covering both Aliom DealBook 360 and Aliom DealBook Web.

Aliom DealBook 360 – The Aliom DealBook version that is available via download to a personal computer.

Aliom DealBook Web – The Aliom DealBook version that is available via a secure web page.

AUD – Australian dollar.

Available Equity – Total Equity less Margin Requirement.

Base Currency - The currency which the client has directed or agreed with Aliom to be the currency into which transaction shall be converted at the close of each position.

Basis Point – 0.01%. So for example, 15 Basis Points is 0.15%.

Bid - An expression indicating a desire to buy a commodity at a given price; opposite of offer.

Bracket Order - A pair of OCO orders, Profit Target and Stop Loss, is placed and once one of the pair is filled, the other is cancelled automatically. In the case of a partial fill of one of the orders, the number of contracts for the reciprocal order is reduced accordingly. Profit Target and Stop Loss are defined in points/pips.

Business Day - A day (other than a Saturday or Sunday or public holiday) on which banks are or will be open for general business in Sydney.

Cash – The amount deposited into your Account plus or minus any realized profit or loss.

Chart Line Order - This order type allows the users to set orders based on a line drawn on a chart maintained by Aliom, such as a trend line or a Fibonacci retracement. The order may be a market or Limit Order that may be executed at or within 10 pips of the selected line.

Clear - The process by which a clearing house keeps records of all trades and settles margin flow on a day-to-day mark-to-market basis for its clearing member.

Clearing house - A third-party agency or separate corporation of a futures exchange that is responsible for settling Accounts, clearing trades, collecting and maintaining margin monies, regulating delivery and reporting trading information.

Client Agreement - The agreement provided to you by Aliom, detailing the applicable terms and conditions as amended, supplemented or updated from time to time. You must complete, sign and return a Client Agreement, and have your Account approved by Aliom, in order to set up an Account with Aliom to deal in products issued by Aliom.

Close of Business - Time at which the market of the Exchange on which the Underlying Financial Instrument over which a CFD is quoted normally closes on any Business Day.

Close Out – Closing out reverses the effect of an Open Position by taking the opposite, bought or sold position (to cancel the existing bought (or sold) Open Position).

Closing Price - The price of the Underlying Financial Instrument to which the CFD relates as determined by Aliom at the time Aliom receives the Closing Notice.

Closing Notice - A notice given by you to Aliom to Close Out any CFD in accordance with the terms and conditions of the Client Agreement.

Closing Value or closing value - Closing Price multiplied by the number or quantity of Underlying Financial Instruments to which the CFD relates.

Commission – a transaction fee charged by Aliom for execution services.

Confirmation - Document or documents confirming evidence exchanged between Aliom and you, confirming the terms of the CFD.

Contract Value - The price of the CFD contract multiplied by the number or quantity of Underlying Financial Instruments to which the CFD relates.

Corporation Act - Corporation Act 2001 (Cth) and Corporations Regulations 2001 (Cth).

EST - Eastern Standard Time, Australia.

Exchange - means any financial market on which Underlying Financial Instruments may be traded.

Ex-Dividend Date - The first day that a share is traded without the holder being entitled to a previously declared dividend.

Financing Charge – The amount that you receive or pay on CFD positions relating to cash indices, individual equities and cash metals that remain open overnight, calculated using the relevant overnight LIBOR rate plus 300 Basis Points for Long Positions and minus 300 Basis Points for Short Positions.

Floating P&L – The total of all Open Positions on your Account, Marked to Market.

FOS - The Financial Ombudsman Service.

FSG - Aliom's financial services guide as amended, supplemented or updated from time to time.

If Then Order - An order which is contingent upon a working order being filled and which must be accepted before being attached to a working order. These orders can be If Then Limit or If Then Market orders.

IM Factor - The percentage or multiplier specified by Aliom (in its absolute discretion) as disclosed in the Market Information Sheet which determines how much Initial Margin Aliom requires you to deposit into your Account before a CFD trade is executed by Aliom.

Initial Margin - The size of the cash deposit that is required to trade. By multiplying your proposed trade position by the IM Factor, you can calculate the amount of the initial margin that is required before you can place a trade with Aliom. After a trade is executed, the Margin Requirement is calculated daily to ensure that you have sufficient Margin.

LIBOR - LIBOR stands for London Interbank Offered Rate. The rate is a benchmark giving an indication of the average rate a leading bank is willing to lend funds to other banks in the interbank market. The LIBOR rate that will be applicable to CFD financing will be based on the LIBOR rate for the currency in which the relevant Underlying Financial Instrument is traded. Should you wish to know the relevant LIBOR rates, please contact Aliom. **Limit Order** - An order in which the client sets a limit on the price and/or time of execution.

Long Position - An excess of purchases over sales of the relevant commodity, currency or investment instrument, (that is, opposite of a Short Position).

Margin - The total amount of money that must be maintained in your Account Balance to ensure that you have enough money to cover against losses on all of your open contracts at any one time and you have at least 25% of the total Margin Requirements for all Open Positions.

Margin Call - A demand for additional funds made to the client by Aliom to meet any additional Margin Requirement.

Margin Requirement - the total of all Initial Margin in respect of all Open Positions on your Account.

Market Information Sheet – The sheet annexed to this PDS as Annexure A and forms part of this PDS. The Market Information Sheet is updated from time to time, and the current version of the Market Information Sheet is available at www.aliomonline.com.au. Please note that the Market Information Sheet also refers to Margin FX (Foreign Exchange) Contracts offered by Aliom which are not the subject of this PDS – please refer to the product disclosure statement for Margin FX offered by Aliom at www.aliomonline.com.au.

Market on Close /Time Orders - Market on close orders are specified to be executed only at the time of market close on a specified market. Time orders allow the user to create orders that will only execute between user-specified time frames.

Market Order - An order to buy or sell a CFD contract at the currently available price.

Marked to Market – The value of an Open Position calculated at the current Aliom price.

Open Position – A position created to your Account when you enter in a CFD contract.

Order Cancels Order (OCO) - Two separate stop or Limit Orders that are linked together and placed as one order. When one of the linked orders is executed, the other order is automatically cancelled by the system.

Orders - Any of a Stop-Loss Order, Limit Order, OCO Order, Contingent Order, Trailing Stop-Loss Order, Guaranteed Stop-Loss Order, If Then Order, Chart Line Order, Market Close/Time Order, Pair Trade Order, Straddle Order, or Bracket Order.

OTC - Over-The-Counter or bilaterally negotiated contract.

Pair Trade Order - The user can set an instruction by setting the difference between two symbols, and when the condition is met based upon the selected difference between the two symbols, an order is placed.

PDS - This Product Disclosure Statement as amended, supplemented or updated from time to time.

Pip - The minimum unit of difference between a bid and offer permissible under trading rules for any particular financial product.

Risk Level - a percentage calculated as follows: (Total Equity divided by Margin Requirement) multiplied by 100.

Short Position - An excess of sales over purchases of a relevant commodity, currency or investment instrument. (Opposite of a Long Position).

Slippage - Refers to the negative (or depreciating) Pip value between where a Stop Loss Order becomes a Market Order and where that Market Order may be filled.

Stop-Loss Order - Order to buy or sell at the best available price when a given price threshold has been reached.

Straddle Order - This is a combination of buy and sell in OCO form. For example, a user may place a buy stop above the market, and a sell stop below the market as OCO orders. If one fills, the other is automatically cancelled. The opposite of the above would also be allowed.

Tick Factor – The minimum possible price change between two successive transaction prices permitted by Aliom. The Tick Factor can represent either an upward or downward movement in price.

Total Equity – The sum of the following:

- Cash;
- Plus any positive Floating P&L;
- Less any negative Floating P&L.

Privacy Act – Privacy Act 1988 (Cth).

Underlying Financial Instrument – the underlying asset, security, commodity, futures contract or sector, with reference to which the value of the CFD is determined.

US ET – United States Eastern Time.

We, Us or Aliom - Aliom Pty Limited.

ANNEXURE 'A'

MARKET INFORMATION SHEET

The following Market Information Sheet is accurate as at the date of this PDS. Updated versions of the Market Information Sheet may be obtained at <http://www.aliomonline.com.au/>

A Market Information Sheet dated after the date of this PDS and found at the link listed above, supersedes and replaces the Market Information Sheet prepared and attached to this PDS.

Margin FX

Symbol	IM Factor	1 Point	Example Price
AUD/CAD	0.01	0.0001	0.9089
AUD/CHF	0.01	0.0001	0.9516
AUD/CZK	0.01	0.001	13.021
AUD/DKK	0.01	0.0001	4.7451
AUD/HKD	0.01	0.0001	6.9739
AUD/JPY	0.01	0.01	85.32
AUD/NOK	0.01	0.0001	4.8988
AUD/NZD	0.01	0.0001	1.201
AUD/PLN	0.01	0.0001	2.3861
AUD/SEK	0.01	0.0001	5.8281
AUD/SGD	0.01	0.0001	1.2122
AUD/THB	0.01	0.01	28.22
AUD/USD	0.01	0.0001	0.7572
AUD/ZAR	0.01	0.0001	6.1651
CAD/CHF	0.01	0.0001	1.1091
CAD/DKK	0.01	0.0001	5.4031
CAD/HKD	0.01	0.0001	7.0914
CAD/JPY	0.01	0.01	100.95
CAD/NOK	0.01	0.0001	5.5504
CAD/PLN	0.01	0.0001	2.6377
CAD/SEK	0.01	0.0001	6.5514
CAD/SGD	0.01	0.0001	1.4995
CHF/CZK	0.01	0.001	16.746
CHF/DKK	0.01	0.0001	4.4641
CHF/HKD	0.01	0.0001	6.5607
CHF/HUF	0.01	0.01	149.64
CHF/JPY	0.01	0.01	91.02
CHF/NOK	0.01	0.0001	4.9935
CHF/PLN	0.01	0.0001	1.0011
CHF/SEK	0.01	0.0001	5.9724
CHF/SGD	0.01	0.0001	1.2451
CHF/TRY	0.01	0.0001	1.0665
CHF/ZAR	0.01	0.0001	5.7889
CZK/HUF	0.01	0.0001	9.0956
CZK/JPY	0.01	0.0001	6.0201
DKK/CZK	0.01	0.001	3.691
DKK/HUF	0.01	0.01	33.52
DKK/JPY	0.01	0.0001	22.1875
DKK/PLN	0.01	0.00001	0.50281
DKK/SEK	0.01	0.0001	1.2303
DKK/SGD	0.01	0.0001	0.2789
DKK/THB	0.01	0.001	5.947
DKK/ZAR	0.01	0.00001	1.29921
EUR/AUD	0.01	0.0001	5.0288
EUR/CAD	0.01	0.0001	1.4042
EUR/CHF	0.01	0.0001	1.5708
EUR/CZK	0.01	0.001	27.461

PRODUCT DISCLOSURE STATEMENT – CONTRACTS FOR DIFFERENCE



EUR/DKK	0.01	0.0001	7.4511
EUR/GBP	0.01	0.0001	0.6844
EUR/HKD	0.01	0.0001	10.9509
EUR/HUF	0.01	0.01	260.71
EUR/JPY	0.01	0.01	144.46
EUR/MXN	0.01	0.0001	15.2692
EUR/NOK	0.01	0.0001	7.7987
EUR/NZD	0.01	0.0001	1.8481
EUR/PLN	0.01	0.0001	3.8456
EUR/RON	0.01	0.0001	4.2815
EUR/SEK	0.01	0.0001	9.3441
EUR/SGD	0.01	0.0001	2.0783
EUR/THB	0.01	0.01	44.31
EUR/TRY	0.01	0.0001	1.6709
EUR/USD	0.01	0.0001	1.2246
EUR/ZAR	0.01	0.0001	7.7197
GBP/AUD	0.01	0.0001	2.4131
GBP/CAD	0.01	0.0001	2.0526
GBP/CHF	0.01	0.0001	2.2762
GBP/CZK	0.01	0.001	39.621
GBP/DKK	0.01	0.0001	10.8952
GBP/HKD	0.01	0.0001	15.8001
GBP/HUF	0.01	0.01	380.94
GBP/JPY	0.01	0.01	207.11
GBP/NOK	0.01	0.0001	11.2977
GBP/NZD	0.01	0.0001	2.9641
GBP/PLN	0.01	0.0001	5.6175
GBP/SEK	0.01	0.0001	13.4584
GBP/SGD	0.01	0.0001	2.9224
GBP/THB	0.01	0.01	3.93
GBP/TRY	0.01	0.0001	2.4107
GBP/USD	0.01	0.0001	1.8656
GBP/ZAR	0.01	0.0001	13.9676
HKD/JPY	0.01	0.0001	15.0966
MXN/JPY	0.01	0.0001	10.8355
NOK/DKK	0.01	0.0001	0.9686
NOK/JPY	0.01	0.0001	21.4915
NOK/SEK	0.01	0.0001	1.1929
NZD/CAD	0.01	0.0001	0.7106
NZD/CHF	0.01	0.0001	0.7672
NZD/CZK	0.01	0.001	14.859
NZD/DKK	0.01	0.0001	3.6732
NZD/HKD	0.01	0.0001	5.9255
NZD/HUF	0.01	0.01	135.16
NZD/JPY	0.01	0.01	69.86
NZD/PLN	0.01	0.0001	2.0274
NZD/SEK	0.01	0.0001	4.7372
NZD/SGD	0.01	0.0001	1.0031
NZD/THB	0.01	0.001	23.981
NZD/USD	0.01	0.0001	0.6246
NZD/ZAR	0.01	0.0001	5.2383
PLN/CZK	0.01	0.0001	7.3296
PLN/HUF	0.01	0.001	66.666
PLN/JPY	0.01	0.0001	44.1243
SEK/JPY	0.01	0.0001	18.0342
SEK/PLN	0.01	0.00001	0.40871
SGD/HKD	0.01	0.0001	5.3738
SGD/JPY	0.01	0.01	79.55
THB/JPY	0.01	0.0001	3.0529
TRY/JPY	0.01	0.0001	98.9411
USD/AED	0.05	0.0001	3.6729

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USD/CAD	0.01	0.0001	1.1003
USD/CHF	0.01	0.0001	1.2201
USD/CZK	0.01	0.001	22.131
USD/DKK	0.01	0.0001	6.1309
USD/HKD	0.01	0.0001	7.7601
USD/HUF	0.01	0.01	215.45
USD/ILS	0.01	0.0001	4.0301
USD/JPY	0.01	0.01	118.86
USD/KWD	0.05	0.00001	0.27501
USD/MXN	0.01	0.0001	11.0139
USD/NOK	0.01	0.0001	6.1448
USD/PLN	0.01	0.0001	3.1451
USD/RON	0.01	0.0001	2.8739
USD/SAR	0.05	0.0001	3.7498
USD/SEK	0.01	0.0001	7.3339
USD/SGD	0.01	0.0001	1.5688
USD/THB	0.01	0.01	37.63
USD/TRY	0.01	0.0001	1.1841
USD/ZAR	0.01	0.0001	7.0521
ZAR/JPY	0.01	0.0001	17.0773

All positions held at 15:00 US ET will be rolled to the next value date.

If on any given week day at 15:00 US ET you are holding the currency with the higher rate of interest then you will receive financing as follows. Your positions will be closed at the current rate and reinstated at a new opening rate. This rate is determined by the price the position was closed at plus a maximum of .5 Basis Points if you have a short position and minus a maximum of .5 Basis Points if you have a long position.

If you are holding the foreign currency with the lower rate of interest you will pay financing as follows. Your positions will be closed at the current rate and reinstated at the current institutional swap rate plus a minimum of .5 Basis Points if you have a long position and minus a minimum of .5 Basis Points if you have a short position.

Please note that Positions held at 15:00 US ET on a Wednesday will be subject to a three day roll-over as the positions are being rolled from a Friday value date to Monday value date (three days).

CFD Individual Equities

Equity	IM Factor	Min/Max size	Tick Factor
Australia 500	5% top 20, 10% others	1 / 25,000	1 Aussie cent
Austria 24	10%	1 / 10,000	1 euro cent
Belgium 20	10%	1 / 10, 000	1 euro cent
Denmark 20	10%	1 / variable	0.01 of 1 Danish Krone
Finland 25	10%	1 / variable	1 euro cent
France 250	10%	1 / 10, 000	1 euro cent
Germany 160	10%	1 / 10, 000	1 euro cent
Italy 40	10%	1 / 10, 000	1 euro cent
Netherlands A-S	10%	1 / 10, 000	1 euro cent
Norway 25	10%	1 / variable	0.01 of 1 Norwegian Krone
Portugal 20	10%	1 / variable	1 euro cent
Spain 35	10%	1 / 10, 000	1 euro cent
Sweden 30	10%	1 / variable	0.01 of 1 Swedish Krone
Switzerland 28	10%	1 / 10, 000	1 centime
UK 350	10%	1 / 25,000	1p

PRODUCT DISCLOSURE STATEMENT – CONTRACTS FOR DIFFERENCE



US Equities Offerings

US SPX 500	10%	1 / 25,000	1 US cent
US Tech 100	10%	1 / 25,000	1 US cent
US Wall Street30	10%	1 / 10, 000	1 US cent

CFD Stock Indices

(Cash)

Index	IM Factor	Min/Max size	Tick Factor
Australia 200 Index	0.50%	1 / 250	1 index point
EU Stocks 50 index	1%	1 / 500	1 index point
France 40 index	0.50%	1 / 500 (100)	1 index point
Germany 30 Index	0.50%	1 / 500 (100)	1 index point
Hong Kong 40 index	1.00%		1 index point
Italy 40 Index	1%	1 / 250	1 index point
Japan 225 index	1%	100 / 20000	1 index point
Netherlands 25 Index	1%		1 index point
Spain 35 Index	1%	1 / 250	1 index point
Switzerland 20 Index	1%	1/500	1 index point
UK 100 Index	0.75%	1 / 500 (100)	1 index point
US Small Cap 2000 Index	1%	1/ 500 (100)	1 index point
US SPX 500 Index	1%	1 / 5,000 (1,000)	1 index point
US Tech 100 Index	1%	1 / 2,500 (500)	1 index point
US Wall Street 30 index	0.75%	1 / 500 (100)	1 index point

CFD Stock Indices (Futures)

Australia 200 Index	0.50%	1 / 250	1 index point
Austria 20 Index	1%	1 / 1500	1 index point
Canada 60 Index	1%	1 / 1500	1 index point
China H-Shares Index	1%		1 index point
Denmark 20 Index	1%	1 / 500	1 index point
EU Stocks 50 index	1%	1 / 500	1 index point
Finland 25 Index	1%	1/ 100	1 index point
France 40 index	0.50%	1 / 500 (100)	1 index point
Germany 30 Index	0.50%	1 / 500 (100)	1 index point
Hong Kong 40 index	1%		1 index point
Hungary 14 index	1%	1/10000	1 index point
India 50 Index	1%	1 / 500	1 index point
Italy 40 Index	1%	1 / 250	1 index point
Japan 225 index	1%	100 / 20000	1 index point
Korea 200 index	1%	1 / 100000	0.01 of an index point
Mexico 35 Index	1%		1 index point
Netherlands 25 Index	1%		1 index point
Norway 25 Index	1%	1 / 500	1 index point
Poland 20 Index	1%	1 / 500	1 index point
Singapore Blue Chip Index	1%		1 index point
South Africa 40 index	1%	1 / 1500	1 index point
Spain 35 Index	1%	1 / 250	1 index point
Sweden 30 index	1%	1 / 15000	1 index point

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Switzerland 20 Index	1%	1/500	1 index point
UK 100 Index	0.75%	1 / 500 (100)	1 index point
US Small Cap 2000 Index	1%	1/ 500 (100)	1 index point
US SPX 500 Index	1%	1 / 5,000 (1,000)	1 index point
US Tech 100 Index 1%		1 / 2,500 (500)	1 index point
US Wall Street 30 index	0.75%	1 / 500 (100)	1 index point

CFD Commodities (metals, softs and oil futures)

Commodity	IM Factor	Min/Max size	Tick Factor
Brent Crude Oil Futures	3%	1 / 100	1
Gold Futures	3%	1 / 500	0.1
High Grade Copper 3%		1 / 500	0.05
London Cocoa Futures	5%	1 / 100	1
London Coffee Futures	5%		1
London Gas Oil Futures	4%	1/250	25
London Sugar Futures	2%		0.1
Orange Juice	3%	1 / 100	0.01
Palladium Futures 5%		0.1	
Platinum Futures 5%		0.1	
Silver futures	3%		0.1
Spot Gold	3%	1 / 500	0.1
Spot Silver	3%	1 / 250	0.1
US Cocoa	3%	1 / 100	1
US Coffee "C"	3%	1 / 100	0.01
US Cotton No. 2	3%	1 / 100	0.01
US Sugar No. 11	8%	1 / 100	0.01
WTI Crude Oil Futures	3%	1 / 100	0.01

CFD Bonds (Futures)

Euro Bond Futures 2%		1 / 500	0.01
UK Gilt Futures	2%	1 / 500	0.01
US 10 YR Treasury Note (decimalised)	2%	1 / 500	0.01
US 2 YR Treasury Note (decimalised)	2%	1 / 500	0.01
US 5 YR Treasury Note (decimalised)	2%	1 / 500	0.01
US T-Bond Futures (decimalised)	2%	1 / 500	0.01

CFD Interest Rates

Euribor Futures	0.25%	1 / 500	0.01
Eurodollar Futures 0.20%		1 / 500	0.01
Short Sterling Futures	0.20%	1 / 500	0.01

Dividends

Current rates of dividend adjustments are as follows:

UK Shares:	Buy trades are credited with 90% of the gross dividend Sell trades are debited 100% of the gross dividend
US Shares:	Buy trades are credited with 85% of the gross dividend Sell trades are debited with 100% of the gross dividend
Australian Shares:	Buy trades are usually credited with 70% of the gross dividend Sell trades are debited with 100% of the gross dividend
Euro and other non-UK Shares:	Buy trades – amounts vary from country to country Sell trades are debited with 100% of the gross dividend

Differences between Premium, Standard and Mini Accounts

Premium Account	Standard Account	Mini Account
CFD and Margin FX	CFD and Margin FX	Margin FX only
Minimum AUD25,000 deposit	Minimum AUD5000 deposit	Minimum AUD2000 deposit
Enhanced set of charting indicators, incl. Di Napoli	Full set of charting indicators	Limited set of charting indicators
Pay and receive Financing Charges (CFDs) and Rollover Charges (Margin FX) during rollover	Pay and receive Financing Charges (CFDs) and Rollover Charges (Margin FX) during rollover	Pay Rollover Charges only during rollover
IM Factor 100:1	IM Factor 100:1	IM Factor 100:1
Min. lot size 100,000	Min. lot size 50,000	Min. lot size 10,000
FX Spreads from 1 Pip	FX Spreads from 1 Pip	FX Spreads from 1 Pip
Commissions up to 1 Basis Point for Margin FX	Commissions up to 1 Basis Points for Margin FX	Commissions up to 2 Basis Points for Margin FX