

1 April 2010



## Product Disclosure Statement

### Margin FX

Level 4, 131 York Street, Sydney, NSW 2000

T 612 8246 8500 F 612 8246 8501 E [info@aliom.com.au](mailto:info@aliom.com.au) W [www.aliom.com.au](http://www.aliom.com.au)

14214766 v1 Sydney 31 03 10

**Table of Contents**

Table of Contents .....	2
<b>1. Important Information .....</b>	<b>4</b>
<b>2. Introduction .....</b>	<b>4</b>
<b>3. Summary of key issues when dealing in Margin FX Contracts with Aliom.....</b>	<b>5</b>
<b>4. Significant Features of Margin FX .....</b>	<b>7</b>
Margin FX Explained .....	7
Why Trade Margin FX? .....	7
Margin FX Offered by Aliom .....	8
Pricing .....	10
Pips .....	10
Margin Requirements .....	10
Margin Requirements are subject to change.....	11
Risk Levels and Aliom’s entitlement to Close Out your Open Positions .....	11
Calculating Profits and/or Losses .....	11
Realised and Unrealised Profits and Losses.....	12
Trade Alerts .....	12
<b>5. Benefits of Margin FX .....</b>	<b>12</b>
Protect an Exchange Rate.....	12
Provide cash flow certainty.....	12
<b>6. Risks of Margin FX.....</b>	<b>13</b>
Derivatives Risks Generally.....	13
Market Volatility .....	14
Counterparty Risk.....	15
Foreign Exchange Risk .....	15
Out of the Money Options.....	15
Market Information.....	15
Systems Risk.....	15
Use and Access to Aliom DealBook 360 and DealBook Web.....	16
Clients’ Money .....	16
Risk Capital.....	16
Other.....	16
<b>7. Margin FX Examples .....</b>	<b>16</b>
Example 1: Spot Margin FX Contract.....	16
Example 2: Option Margin FX Contract.....	17
<b>8. Opening an Account .....</b>	<b>17</b>
<b>9. Operating an Account.....</b>	<b>18</b>
Orders.....	18
Slippage and gapping through.....	19
Spike Prices.....	20
Automatic rollover of trades.....	20
Foreign Exchange Confirmations .....	21
Foreign Exchange Open Positions .....	21
Foreign Exchange Confirmations .....	21
Funding your Account.....	22
Client Instructions, Statements & Confirmations .....	22
Withdrawing Your Funds .....	23
<b>10. Fees and Charges .....</b>	<b>23</b>
Commission .....	23
Service fees .....	24
Interest on Negative Account Balances .....	24
Rollover Charges you may receive or pay when Margin FX Contracts are “rolled over” .....	24
Reductions & Waivers .....	24
<b>11. Dispute Resolution .....</b>	<b>24</b>
<b>12. Taxation Implications .....</b>	<b>25</b>
<b>13. Privacy.....</b>	<b>25</b>
<b>14. Other Considerations .....</b>	<b>25</b>
Aliom Default Powers .....	25

---

Client Money .....	25
<b>15. Glossary .....</b>	<b>26</b>
Dividends .....	34

## 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 17 March 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 margin foreign exchange transaction (“**Margin FX Contract**”) 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 Margin FX Contracts. Before making a decision whether to enter into a Margin FX 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 Margin FX 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 of this PDS. 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](http://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 Margin FX Contracts 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 Margin FX 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:

Contact:	<b>Glenn McMurdy</b> , Compliance Manager		
Address:	Level 4, 131 York Street	Phone:	+612 8246 8500
	Sydney NSW 2000 Australia	Fax:	+612 8246 8501
Email:	<a href="mailto:info@aliom.com.au">info@aliom.com.au</a>	Website:	<a href="http://www.aliom.com.au">www.aliom.com.au</a>

Additional information about Aliom is also available at [www.aliomonline.com.au](http://www.aliomonline.com.au).

**3. Summary of key issues when dealing in Margin FX Contracts with Aliom**

The table set out below provides a summary only of the key features and characteristics involved in dealing in Margin FX Contracts. 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><b>What is a Margin FX Contract?</b></p>	<p>A Margin FX Contract is an agreement under which you exchange one currency for another (“Currency Pair”). A Spot Margin FX Contract is an agreement to buy or sell one currency against another for expiry in two Business Days after the day on which the contract is entered into. An Option Margin FX Contract is an agreement which conveys the right, but not the obligation, to the buyer to buy (receive) or sell (deliver) a specific amount of one currency for another at a predetermined price and date in the future.</p> <p>Note that Margin FX Contracts offered by Aliom are non-deliverable (ie cash settled only) and automatically roll over at the end of each day until the position is Closed Out.</p> <p>The amount of any profit or loss made on a Margin FX Contract will depend on:</p> <ul style="list-style-type: none"> <li>• fluctuations in the values of currencies that make up the Currency Pair between when the position is opened and Closed Out;</li> <li>• any Commission payable in respect of the Margin FX Contract; and</li> <li>• any Rollover Charges relating to the Margin FX Contract.</li> </ul> <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><b>A Margin FX Contract is issued “over the counter”. What does this mean?</b></p>	<p>Over the Counter (<b>OTC</b>) means that you do not trade in a Margin FX Contract 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 Margin FX Contract issued by Aliom by giving instructions to another provider, broker or Australian financial services licensee.</p>	<p>See Sections 6 and 9</p>
<p><b>What charges are payable when dealing in Margin FX Contracts?</b></p>	<p>The common fees and charges when dealing in Margin FX Contracts may incorporate any or all of the following:</p> <ul style="list-style-type: none"> <li>• Commission on executed trades;</li> <li>• Margin adjustments</li> <li>• Rollover Charges;</li> <li>• Interest charges applied to debit balances in your Account;</li> <li>• Service charges.</li> </ul> <p>In addition, Aliom will apply a bid / offer spread in respect of its Margin FX Contracts which will also affect the profits or losses you make when dealing in Margin FX Contracts.</p>	<p>See Section 10</p>
<p><b>How do I open a Margin FX Contract Account?</b></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"> <li>• telephoning Aliom +612 8246 8500; or</li> <li>• going to Aliom’s website at <a href="http://www.aliomonline.com.au">www.aliomonline.com.au</a>.</li> </ul>	<p>See Section 8</p>

Issue	Summary	For more detail
<b>What is the minimum balance to open a Margin FX Contract trading Account?</b>	AUD2,000 for a Mini Account. Higher minimum balances apply for other Accounts.	See Section 8 and the Market Information Sheet
<b>How do I deal in Margin FX Contracts with Aliom?</b>	You may place orders to deal in Margin FX Contracts in three ways: <ul style="list-style-type: none"> <li>• electronically, via Aliom DealBook;</li> <li>• telephone (calls will be recorded); or</li> <li>• in writing (including email or facsimile, where agreed).</li> </ul>	See Section 9
<b>How do I Close Out a position?</b>	You Close Out a position in a Margin FX Contract by entering into an equal and opposite transaction in relation to the same Currency Pair.	See Section 4
<b>How does Aliom deal with my money?</b>	Moneys which you deposit with Aliom will be regulated by the Corporations Act.	See Section 14
<b>What is my “Total Equity”?</b>	Your <b>“Total Equity”</b> is the aggregate of: <ul style="list-style-type: none"> <li>• the current Cash balance in your Account; and</li> <li>• your current unrealised profits and losses (Floating P&amp;L).</li> </ul>	See Section 4
<b>What is my “Available Equity”?</b>	Your <b>“Available Equity”</b> 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
<b>What is Margin?</b>	Margin is the amount that you must have in your Account to enter into Margin FX Contract positions with Aliom. The level of Margin required to open and maintain a Margin FX Contract position is called the <b>“Margin Requirement”</b> . Margin Requirements will fluctuate with fluctuations in the foreign exchange rate for the relevant Currency Pair.	See Section 4
<b>Can Aliom Close Out my positions?</b>	If your Risk Level reaches 25%, Aliom can Close Out all of your Open Positions without prior notice to you. The Risk Level is your Total Equity expressed as a percentage of your Margin Requirement. Aliom can also Close Out Open Positions and cancel Orders if certain market or default events occur.	See Sections 4 and 14
<b>Will I receive Margin Calls from Aliom warning me that my Open Positions may be liquidated?</b>	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
<b>How are payments made in and out of my Account?</b>	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 Margin FX Contracts.	See Section 9
<b>Do I receive interest on moneys held in my Account or pay interest on moneys that I owe to Aliom?</b>	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
<b>Do I pay or receive any Rollover Charges?</b>	A daily Rollover Charge is applied on the roll over of Margin FX Contracts, to account for the interest rate differential between the	See Section 10

Issue	Summary	For more detail
	two currencies in a Currency Pair. For example, if currency A has a higher interest rate than currency B, the person who holds a Long Position in A and a Short Position in B will be receiving payment of the Rollover Charge, while the person who holds a Short Position in A and a Long Position in B will be paying the Rollover Charge. Mini Accounts will not receive payment of Rollover Charges.	
<b>What are the risks of Margin FX Contracts?</b>	Margin FX Contracts are speculative products that are highly leveraged and carry significantly greater risk than non-g geared investments such as share trading. <b>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.</b> You should obtain your own <b>independent financial, legal, taxation and other professional advice</b> as to whether Margin FX Contracts are an appropriate investment for you.	See Section 6
<b>What procedures are in place to deal with client complaints?</b>	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
<b>What are the taxation implications of dealing in Margin FX Contracts?</b>	The taxation consequences of dealing in Margin FX Contracts depend on your personal circumstances. You should seek advice from your tax adviser before you enter into any Margin FX Contracts.	

## 4. Significant Features of Margin FX

### Margin FX Explained

Foreign exchange is essentially about exchanging one currency for another at an agreed rate. Accordingly, in every Exchange Rate quotation, there are two currencies. The Exchange Rate is the price of one currency (the “Base Currency”) in terms of another currency (the “Terms Currency”) such as the price of the Australian dollar in terms of the US dollar. For example, if the current Exchange Rate for the Australian dollar as against the US dollar is AUD/USD 0.7500, this means that one Australian dollar is equal to, or can be exchanged for, 75 US cents.

Margin FX Contracts are over-the-counter (“OTC”) derivatives. “Foreign exchange” generally refers to trading in foreign exchange products (currency) in the spot (cash) markets. Margin FX products can be differentiated from foreign currency as they allow the investor an opportunity to trade foreign exchange on a margined basis as opposed to paying for the full value of the currency. In other words, investors are required to lodge funds as security (Initial Margins) and to ensure the Account continues to hold sufficient funds to cover all net adverse market movements over the term of the contract. Positions are monitored on a mark-to-market basis to account for any market movements. If your position is making a loss, to an extent that you no longer meet the Margin Requirements you are required to “top up” your Account with additional cleared funds or to “Close Out” your position.

Margin FX Contracts do not require the physical exchange of one currency for another. Instead, Margin FX Contracts will always be cash settled and your Account will either be credited or debited, in AUD (depending on the profit or loss of the trade). The examples in Section 8 illustrate how Margin FX Contracts work in a number of scenarios.

### Why Trade Margin FX?

People who trade in Margin FX Contracts do so for a variety of reasons including:

**Speculation:** This involves trading Margin FX with a view to profiting from fluctuations in the price or value of an underlying currency versus another currency. For example, you may be a short-term investor looking to profit from intra-day and overnight market movements in the AUD versus the USD. By using Margin FX Contracts you do not need to buy or sell the AUD versus the USD, but may still profit from market movements. Note if the underlying currency moves adversely you can also make a loss by using Margin FX Contracts.

**Hedging:** Margin FX can be used to hedge exposures to the underlying currency. An exposure to an underlying currency is called “currency risk” and is the risk that arises from international business which may be adversely affected by fluctuations

in Exchange Rates e.g. selling a product to an overseas customer in foreign currency. Hedging via Margin FX Contracts enables you to protect yourself against adverse currency movements. For an exporter this would enable you to protect the profit margin that relates to the underlying product or service that has been sold in an overseas market if invoiced in foreign currency.

**Note that the risk of loss when trading in derivatives and/or leveraged products can be substantial. You should carefully consider whether trading these products is appropriate for you in light of your financial circumstances and objectives. Please refer to Section 7 of this PDS which outlines the risks associated with using this product.**

### Margin FX Offered by Aliom

Aliom is authorised to provide advice, deal and make a market in relation to Margin FX Contracts. Any Margin FX Contract entered into between yourself and Aliom is a tailored, individual agreement made between you and Aliom. Both parties to the transaction enter into the Margin FX Contract as principal. This means that you have a direct credit exposure to Aliom.

Margin FX Contracts provided by Aliom are available in over 100 currencies including all major Currency Pairs.

It is important to note that Margin FX Contracts do not result in the physical delivery of the underlying currency. Instead Margin FX Contracts are cash settled in Australian dollars or closed by you taking an offsetting opposite position **i.e. there is not a physical exchange of one currency for another**. You can take both a “Long Position” and a “Short Position” in Margin FX Contracts with Aliom. If you take a Long Position, you profit from a rise in the underlying currency price, and you will lose if the underlying currency price falls. Conversely, if you take a Short Position, you will profit from a fall in the underlying currency price, and lose if the underlying currency price rises.

Aliom cannot predict future Exchange Rates and our rate quotations are not a forecast of where we believe foreign Exchange Rates will be at a future date. Aliom calculates foreign Exchange Rates taking into consideration the current spot “inter bank” Exchange Rates and the amount of currency that you wish to buy or sell.

Aliom offers the following Margin FX Contracts:

#### Spot Margin FX Contract

Spot Margin FX Contracts involve an agreement to buy or sell one currency against another for expiry in two Business Days after the day on which the contract is entered into. (Note that physical currency is not exchanged – refer below).

In any Spot Margin FX Contract the following variables will be agreed between Aliom and yourself:

- the currency and amount of which is being bought;
- the currency and amount of which is being sold;
- the margin fx Exchange Rate between the two currencies.

At the expiry date, the Spot Margin FX Contract will continue as a Spot Margin FX Contract with automatic rolling of the position until the position is Closed Out by you.

A Spot Margin FX Contract will end when any of the following events occur:

- the contract is Closed Out by you by the entering into of an equal and opposite position;
- the market currency Exchange Rate reaches a profit target rate that you may have specified to Aliom;
- the market currency Exchange Rate reaches any stop loss that you may have specified to Aliom (see below).

To Close Out a Spot Margin FX Contract you must enter into an equal and opposite contract with Aliom for an identical amount of the commodity currency against the same terms currency for settlement on the same expiry date. In this case, at expiry, the amount payable will be the net difference between the value of the original and the closing contract in the agreed terms currency. Any profits from Closed Out Spot Margin FX Contracts will be paid on the settlement date (being 2 days after closing out). Any losses must be fully covered by Margins daily prior to the settlement date.

#### Option Margin FX Contract<sup>1</sup>

An Option Margin FX Contract conveys the right, but not the obligation, to the buyer to buy (receive) or sell (deliver) a specific amount of one currency for another at a predetermined price and date in the future.

Buyers of Option Margin FX Contracts may do so to manage their foreign exchange risks and protect against adverse Exchange Rate movements.

---

<sup>1</sup> At the date of this PDS, Option Margin FX Contracts are not available however Aliom is in the process of establishing the facilities for offering this product. For the current status of this product offering, please contact Aliom or refer to our website.

Sellers of Option Margin FX Contracts may do so to speculate on future currency movements, whilst generating cash flow through the receipt of the option premium, or as a means of offsetting their existing FX positions.

**Please note that the risk of the option buyer is limited to loss of the option premium paid, whilst an option seller has potentially unlimited risk.**

In any Option Margin FX Contract the following variables will be agreed between Aliom and yourself:

- put (sell) or call (buy) Option (see below);
- the currency and amount of which they wish the option to purchase or sell;
- strike or exercise Price at which they wish to purchase or sell the currency (see below);
- expiry or maturity date (see below).

There are a number of key elements to an Option Margin FX Contract that are described below.

### Call and Put Options

There are broadly two types of Option Margin FX Contracts – call options and put options.

- **call option** giving the buyer the right, without the obligation, to buy a currency, OR
- **put option** giving the buyer the right, without the obligation, to sell a currency.

In every foreign exchange contract, one currency is purchased and another currency is sold. Consequently, every currency option is both a call and a put. For example: an option to buy USD against YEN is both a USD call (i.e. buy US dollars) and a YEN put (i.e. sell Yen).

### Expiry Date or Maturity

Every Option Margin FX has an expiry date which is the only date on which the Option Margin FX contract can be exercised by its holder. If the Option Margin FX Contract is not exercised on this date it lapses. Because the holder of an Option Margin FX Contract has the right but not the obligation to exercise the Option, they will usually only do so if the option is “in-the-money”.

Note that all option contracts must have a minimum expiry date being seven (7) days from execution date to a maximum period (expiry date) of six (6) months. Please contact Aliom for further information on procedures with regard to option expiry.

### Exercise or Strike Price

Every Option Margin FX Contract has an exercise price (also referred to as strike price). This is the rate at which the currency can be purchased (in a call option) or sold (in a put option) by the holder.

### Option Premium

The price of an Option Margin FX Contract is known as the option premium. The buyer pays the premium to the seller as compensation for the risk involved in writing the option. The option premium is paid on the spot value from the date on which the option is contracted.

In other words, to facilitate the option deal, the buyer of the option (usually the client) is required to pay an amount (option premium) to the seller (usually Aliom). Paying the option premium allows the client to keep the option until its maturity date, or to sell it at any given point of time prior to its maturity. The seller of the option (usually Aliom) determines the price of the option premium at which it is willing to grant the option, based on current rates, nominated delivery and expiry dates, the nominated strike rate and whether the option is a Call Option or a Put Option.

The premium for an Option Margin FX Contract at a particular time represents a consensus of the option's current value which is comprised of intrinsic value and time value. Intrinsic value is simply the difference between the spot price and the strike price. A put option will have intrinsic value only when the spot price is below the strike price. A call option will have intrinsic value only when the spot price is above the strike price. Time value is more complex. When the price of a call or put option is greater than its intrinsic value, it is because it has time value. Time value is determined by Aliom considering the following factors:

- the spot or underlying price;
- the expected volatility of the underlying currency;
- the exercise price;
- time to expiration; and
- the difference in the "risk-free" rate of interest that can be earned by the two currencies.

Time value falls toward zero as the maturity date or expiration date approaches.

**‘Out-of-the-Money’ Options**

This is a term used to describe an option that cannot, at current prices, be exercised at a profit. An out-of-the-money option is a call option whose strike price is higher than the current market level or a put option whose strike price is below market.

An Option Margin FX Contract is said to be “in the money”, “out-of-the-money” and “at-the-money” as follows:

Price	CALL Option	PUT Option
Spot Price > Strike Price	in-the-money	out-of-the-money
Spot Price = Strike Price	at-the-money	at-the-money
Spot Price < Strike Price	out-of-the-money	in-the-money

**Parties to an Option Margin FX Contract**

There are always two (2) parties to an option contract – the buyer and the seller. The buyer of the option enjoys the right to exercise the option and the right not to exercise the option (i.e. to let it lapse). The seller (also known as the ‘writer’ or ‘grantor’) of the option has the obligation to deal at the contracted rate if the buyer elects to exercise the option.

Aliom offers options in a variety of currency crosses.

You can also sell options to Aliom, however this is NOT recommended unless you are a professional trader. Since the seller of the option has the obligation to deal at the contracted rate if the buyer elects to exercise the option, there is unlimited risk to the seller of the option.

**Pricing**

The calculation of the price to be paid (or the payout to be received) for Margin FX products offered by Aliom, at the time the contract is purchased or sold, will be based on market prices available at the time and the expected level of interest rates, implied volatilities and other market conditions during the life of the financial contract and is based on a complex arithmetic calculation.

The calculation will include a spread in favour of Aliom. The contract prices (or the payout amounts) offered to you may differ from prices available in the primary or underlying markets where contracts are traded. This is due to the spread favouring Aliom in the price calculation. The spread is the difference between the rate at which we buy and sell the financial instruments (i.e. between the wholesale price achieved by Aliom and your trade price).

This spread is incorporated into the rates quoted to you and is not an additional charge or fee payable to you. These spreads will differ depending on the Currency Pairs traded.

**Pips**

The number of significant figures that are used in an Exchange Rate quotation are arbitrary. The last decimal place to which a particular Exchange Rate is usually quoted is referred to as a “Pip” (or “point”). For example:

- in the quotation USD 1 =AUD 0.7500, one Pip means AUD 0.0001;
- in the quotation USD 1=JPY 101.50, one Pip means JPY 0.01. Of note, all Pips (or points) are not of equal value.

**Margin Requirements**

**The Margin you need when you open a Margin FX Contract 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 may be between 1% - 4% of the face value of the contract for major Currency Pairs and 4% - 16% of the face value of the contract for exotic Currency Pairs. The actual IM Factor will be 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 deal in the underlying foreign exchange. For example:

Aliom quotes a spot Exchange Rate of AUD/USD 0.8500/0.8502.

You wish to enter into a Spot Margin FX Contract to purchase AUD200,000 and sell USD at the quoted Exchange Rate.

Using an IM Factor for AUD/USD of 1%.

Your Initial Margin would be based on the following:

[Value of the Margin FX Contract in AUD] x [IM Factor]

Accordingly, the Initial Margin to be deposited with Aliom is AUD2,000 (being AUD200,000 x 1%)

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 foreign exchange.

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 Margin FX 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](http://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.

### Calculating Profits and/or Losses

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 Margin FX Contracts or holding positions.

The profit or loss from a contract is calculated by keeping the units of one of the currencies constant (the Base Currency) and determining the difference in the number of units of the other currency (the Terms Currency). The profit or loss will be expressed in the units of the currency which is not kept constant.

### Realised and Unrealised Profits and Losses

Profits and/or losses are realised if both the buy and the sell side of the contract are complete and have been matched against each other or Closed Out. Profits and/or losses are unrealised if only one side of the contract has been completed.

In other words, if you do not instruct the system to match selected trades against previous trades then it will default to matching trades on a First In First Out (“FIFO”) basis. This will result in the contracts remaining open and only being matched at the settlement date.

Please contact your Aliom representative to assist you in understanding the importance of and how to match and Close Out trades.

### Trade Alerts

Clients of Aliom may elect to receive regular intra-day Margin FX Trade Alerts. The Trade Alerts are based on signals generated by Aliom’s proprietary, momentum-based charting system, which looks for signs of potential break-out patterns. The Trade Alerts are sent to clients by e mail and SMS (where possible) and constitute an entry price range and suggested take profit and stop-loss levels. The Trade Alerts are general advice only and do not take into account the client’s investment objectives, financial situation or particular needs. Before making an investment decision on the basis of the Trade Alert clients will need to consider whether the information is appropriate in light of their particular investment objectives, financial situation or particular needs.

## 5. Benefits of Margin FX

Margin FX products such as Spot Margin FX Contracts and Option Margin FX Contracts provide an important risk management tool for those who manage foreign currency exposures. The significant benefits of using Margin FX products as a risk management tool are to **protect your Exchange Rate and provide cash flow certainty**. Other benefits of using these products apply equally for you as a risk management tool or for you if you are a trader or speculator.

### Protect an Exchange Rate

Aliom provides online trading platforms – Aliom DealBook 360 and DealBook Web - enabling clients to trade in OTC derivatives such as Margin FX Contracts over the internet. The platforms provide you with direct access to our system to enable you to buy and sell currency rates to protect yourself against adverse market swings.

### Provide cash flow certainty

By agreeing a rate now for a time in the future you will determine the exact cost of that currency, thereby giving certainty over the flow of funds. Any profit (or loss) you make using the Aliom product would be offset against the higher (or lower) price you physically have to pay for the foreign currency.

In addition to using Margin FX products as a risk management tool, you can benefit by using Margin FX products offered by Aliom to speculate on changing Exchange Rate movements. You may take a view of a particular market or the markets in general and therefore invest in our products according to this belief in anticipation of making a profit.

The significant benefits of using Margin FX products include:

- **Trade in small amounts:** Aliom DealBook enables you to make transactions in small amounts. You can start using Aliom DealBook with an opening balance of AUD2,000. When trading in Margin FX Contracts offered by Aliom you may deposit the sum that suits you, or the amount which is in line with the amount you are willing to risk, bearing in mind that you may lose more than the amount of the funds that you deposit with Aliom to establish or maintain a contract.
- **Access to the foreign exchange markets at any time:** When using Aliom you gain access to a highly advanced and multi-levelled system which provides you with the opportunity to trade 24 hours a day on any global market which is open for trading. This gives you a unique opportunity to react instantly to breaking news that is affecting the markets. It should be noted however, that trading in the various currency crosses may be restricted to hours where liquidity is available for any given currency cross.
- **Profit potential in falling markets:** Since the currency markets are constantly moving, there are always situations in which one currency is strengthening or weakening in relation to another currency. If the EUR/USD declines, for example, it is because the US dollar is getting stronger against the Euro and vice versa. So, if you think the EUR/USD will decline (that is, that the Euro will weaken versus the dollar), you would sell EUR

now and then later you buy Euro back at a lower price and take your profits. The opposite trading scenario would occur if the EUR/USD appreciates.

- **Liquidity:** The foreign exchange market is normally extremely liquid. The liquidity of this market, particularly with respect to the major currencies, helps ensure price stability and low spreads. The liquidity comes mainly from large and smaller banks that provide liquidity to investors, companies, institutions and other currency market players.
- **Real time streaming quotes:** Aliom DealBook uses the latest highly sophisticated technologies in order to offer you up-to-the-minute quotes. You may check your Accounts and positions in real time and you may do so 24 hours a day on any global market which is open for trading and make a trade based on real-time information.

## 6. Risks of Margin FX

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

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

### Derivatives Risks Generally

Derivative markets can be highly volatile. Accordingly, the risk of loss in trading in derivatives contracts can be substantial. You should carefully consider whether our products are appropriate for you in light of your personal and financial circumstances. In deciding whether or not you will become involved in trading derivatives, you should be aware of the following matters.

- (a) You could sustain a total loss greater than the amount that you deposit with Aliom to establish or maintain a contract.
- (b) If the derivatives market moves against your position, you may be required to immediately deposit additional funds as additional Margin in order to maintain your position i.e. to “top up” your Account. Those additional funds may be substantial. If you fail to provide those additional funds, Aliom may Close Out your Open Positions. You will also be liable for any shortfall resulting from that closure.
- (c) Under certain market conditions, it could become difficult or impossible for you to manage the risk of Open Positions by entering into opposite positions in another contract or Close Out existing positions.
- (d) Under certain market conditions the prices of contracts may not maintain their usual relationship with the underlying foreign currency market.
- (e) The Margin FX products offered by Aliom involve risk. However, the placing of contingent orders such as a Stop-Loss Order will potentially limit your loss. A Stop-Loss Order will be executed at or near the Exchange Rate requested by the client but is not guaranteed at the exact level. Accordingly, Stop-Loss Orders may not limit your losses to the exact amounts specified. A contract of this nature will be executed as soon as the Exchange Rate is identical to the order given by you. Stop-Loss Orders are offered at the discretion of Aliom and Aliom makes no guarantee that these orders will be available at all times or at all price levels.
- (f) A “spread” position (i.e. the holding of a bought contract for one specified date and a sold contract for another specified date) is not necessarily less risky than a simple “long” (i.e. bought) or “short” (i.e. sold) position. Furthermore a “spread” may be larger at the time you Close Out the position than it was at the time you opened it.

- (g) A high degree of leverage is obtainable in trading Margin FX products because of the small margin requirements which can work against you as well as for you. The use of leverage can lead to large losses as well as large gains. The impact of leverage is that even a slight fluctuation in the market could mean substantial gains when these fluctuations are in your favour, but that could also mean considerable losses if the fluctuations are to your detriment. For example:

	Cash	Spot Margin FX Contract
Initial Outlay	AUD100,000	AUD100,000 as Initial Margin
Gearing	0	100 (assuming an Initial Margin Requirement of 1%)
Amount	USD85,000	USD8,500,000
Initial Exchange Rate	AUD/USD 0.85	AUD/USD 0.85
Value	USD85,000	USD8,500,000
Exchange Rate Falls to AUD/USD 0.84	USD84,000	USD8,400,000
Loss	USD1,000	USD100,000
Loss	AUD1,190	AUD119,000
<b>Account Value</b>	<b>AUD98,810</b>	<b>Minus AUD19,000</b>

- (h) If you propose to trade in Option Margin FX Contracts, the maximum loss in buying an option is limited to the amount of the premium paid by you as the option may expire without being exercised. On the other hand, selling Margin FX Option Contracts can result in unlimited losses and should only be performed by professional traders.
- (i) As Aliom is the market maker i.e. the issuer of the Margin FX products described in this PDS, you are exposed to the financial and business risks, including credit risk, associated in dealing with Aliom. If we were to become insolvent, we may be unable to meet our obligations to you. Aliom may become unable to operate its Margin FX market 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).
- (j) Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in Margin FX Contracts.
- (k) There are no cooling-off arrangements for Margin FX Contracts. This means that when Aliom arranges for the execution of a Margin FX Contract, you do not have the right to return the product, nor request a refund of the money paid to acquire the product.

**Market Volatility**

Foreign exchange currency markets are subject to many influences which may result in rapid currency fluctuations.

Given the potential levels of volatility in the foreign exchange markets, it is therefore recommended that you closely monitor your positions with Aliom at all times. Foreign exchange currency markets are highly volatile and are very difficult to predict. Due to such volatility, in addition to the spread that Aliom adds to all calculations and quotes, **no such Margin FX product offered by Aliom, or any other financial services provider, may be considered as a safe trade.**

Under certain conditions it could become difficult or impossible for you to Close Out a position. For example, this can happen when there is a significant change in prices over a short period. Lack of liquidity in foreign exchange markets due to extreme volatility or uncertainty of trading in those markets may also affect the ability of Aliom to open or close a position thereby reducing profits or increasing losses.

Aliom offers clients a way of managing volatility by working orders (see Section 10 for further details). Certain Margin FX products can be traded in conjunction with our limit or Stop-Loss Orders which are designed to either optimise your exposure to the market or attempt to limit your loss by instructing that trades be executed at pre-determined price levels.

Stop losses are instructions placed by you with Aliom to Close Out an Open Position if a market trades through a specific level. Stop-Loss Orders are often used to attempt to limit the amount which can be lost on a position. However, **stop losses are not guaranteed and the execution of such orders will depend on market volatility and liquidity.** The operation of these order types should be discussed with your Aliom representative. You should refer to our Client Agreement with respect to the operation of these order types.

You should be aware that if you acquire a Margin FX product offered for trading or speculative purposes (that is where you do not have a currency risk you need to protect yourself from), you will be fully exposed to movements in price between the currencies.

The risk of loss will be increased where you borrow to acquire the product as the total loss which may be incurred will be the loss on the Margin FX product together with the amount you borrowed.

## Counterparty Risk

Aliom is the counterparty to every contract. You will have an exposure to us in relation to each contract as is common to all OTC financial market products. You are therefore reliant on Aliom's ability to meet its counterparty obligations to you to settle the relevant contract. 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.

## Foreign Exchange Risk

Your Account is maintained in the currency you have nominated, that is, the Base Currency. Where you deal in a Margin FX product that is denominated in a currency other than the Base Currency, all Margins, option premiums, profits, losses, rollover fees, interest rate payments/receipts and financing credits and debits in relation to that product are calculated using the currency in which the product is denominated. All profits or losses made in a foreign currency will be converted to the Base Currency of your Account on a daily basis. The Exchange Rate at which these conversions are made is the closing currency conversion rate of the day quoted by Aliom taken at 15:00 hours (3.00pm) (US ET).

Accordingly, your profits or losses may be affected by fluctuations in the relevant foreign Exchange Rate between the time the order is placed and the time the position is closed, liquidated, offset or exercised.

Upon closing a position that is denominated in a currency other than the Base Currency of your Account, the foreign currency balance will be automatically converted to the Base Currency of your Account. Any conversion will be at the Exchange Rate quoted by Aliom. Until the foreign currency balance is converted to the Base Currency, fluctuations in the relevant foreign Exchange Rate may affect the unrealised profit or loss made on the position.

## Out of the Money Options

This is a term used to describe an option that cannot, at current prices, be exercised at a profit. An out-of-the-money option is a call option whose strike price is higher than the current market level or a put option whose strike price is below market.

A client contemplating purchasing a deep out-of-the-money option (i.e. an option with an exercise price significantly above, in the case of a call option, or significantly below, in the case of a put option, the current price) should be aware that the chance of such an option becoming profitable is generally remote.

You should also note that the following.

- When you buy an Option Margin FX Contract you may lose the entire premium paid as the option may expire without being exercised by you in which case the options are worthless.
- When you sell an Option Margin FX Contract, although you receive the premium amount up-front, you are exposed to potential losses in the future in the event that the price of the underlying instrument moves against your position. Accordingly, you may only sell an Option Margin FX Contract at our discretion and by paying sufficient Margin to us to ensure that you have the necessary level of cover appropriate to the risk of your position, unless you are selling the Option Margin FX Contract to Close Out an existing position or a short Option Margin FX Contract is covered by another long Option Margin FX Contract.

## Market Information

Aliom may make available to you through one or more of its services, a broad range of financial information that is generated internally or obtained from agents, vendors or partners ("Third Party Providers"). This includes, but is not limited to, financial market data, quotes, news, analyst opinions and research reports, graphs or data ("Market Information").

Market Information provided by us by email or through our website is not intended as advice. Aliom does not endorse or approve the Market information and we make it available to you only as a service for your own convenience. Aliom and its Third Party Providers do not guarantee the accuracy, timeliness, completeness or correct sequencing of the Market Information or warrant any results from your use or reliance on the Market Information.

Market Information may quickly become unreliable for various reasons including, for example, changes in market conditions or economic circumstances. Neither Aliom nor the Third Party Providers are obliged to update any information or opinions contained in any Market Information and we may discontinue offering Market Information at any time without notice.

## Systems Risk

Aliom relies on a number of technology solutions to provide you with efficient foreign exchange services. 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.

A disruption to Aliom DealBook may mean you are unable to trade in a Margin FX product offered by Aliom when desired and you may suffer a loss as a result. An example of disruption includes the “crash” of our computer based trading system.

Aliom has also outsourced the provision and support of its network and telephone system and in doing so Aliom relies upon this third party to ensure these systems are updated and maintained.

### Use and Access to Aliom DealBook 360 and DealBook Web

You shall be responsible for providing and maintaining the means by which to access the Aliom DealBook 360 and DealBook Web platform, which may include without limitation 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 thereto. If you are unable to access the internet and thus, the Aliom trading platform, you may be unable to trade in a Margin FX product offered by Aliom when desired and you may suffer a loss as a result. If you are unable to access Aliom DealBook you may place your orders via telephone with a representative of Aliom however, it is usually more difficult to contact us via telephone than via Aliom DealBook as all our representatives may be busy.

In unforeseen and extreme market situations, Aliom reserves the right to suspend the operation of Aliom DealBook or any part or sections of it. In such an event, Aliom may, at its sole discretion (with or without notice), Close Out your Open Positions at prices it considers fair and reasonable at such a time.

Aliom may impose volume limits on client Accounts, at its sole discretion.

### Clients' Money

Funds deposited with Aliom are deposited into our client trust account i.e. segregated from Aliom's money and held and invested in accordance with the Client Agreement and in accordance with the Corporations Act. You should be aware that clients' segregated account provisions may not insulate your funds from a default arising from another client's trading. All funds in Aliom's clients' segregated account are at risk, even though you did not cause the default and Aliom has the right to apply all clients' money held in our clients' segregated account to meet any default in that account.

If you trade on foreign Exchanges you may not have the benefit of protective measures provided by the Corporations Act and the Operating Rules of Australian Exchanges. In particular, your funds may not have the same protection as funds deposited in Australia in a clients' segregated account. You should ensure that you familiarize yourself with the rules of the foreign Exchange before trading on these Exchanges.

### Risk Capital

In cases where you are speculating you should take care that you do not risk more capital than you can afford to lose. A good general rule is never to speculate with money which, if lost, would alter your standard of living.

### Other

Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in Margin FX products.

## 7. Margin FX Examples

The examples below are for illustrative purposes only. The rates and figures quoted are hypothetical and do not represent actual rates or figures.

### Example 1: Spot Margin FX Contract

You feel that AUD will appreciate against the USD. You will attempt to benefit from this by buying AUD/USD.

Aliom's quote on the AUD/USD is bid 0.8500 and ask 0.8505. You purchase AUD100,000 at the ask rate of 0.8505.

Assuming the Initial Margin Requirement is 1%, you are required to hold 1% of the value of the open contract in your Account before Aliom through its trading software, Aliom DealBook, will accept the order. In this case the value of the contract when it is opened is AUD100,000 (USD85,050). You would be required to have AUD1,000 (representing 1% of AUD100,000) in equity in your Account in order to enter this transaction. If you do not have the Initial Margin Requirement the order will not be accepted by Aliom through its trading software, Aliom DealBook.

The position will remain open until:

- a. you instruct us to Close Out the position;
  - b. your Account becomes Margin deficient and Aliom exercises its discretion to Close Out the Open Position;
- or

- c. the equity in your Account falls to or below 25% of the Margin Requirement and your Open Positions are automatically Closed Out. In this example, the Open Position would be automatically Closed Out if the equity in the Account is less than AUD250 (being 25% of AUD1,000).

If the AUD increases in value (the USD decreases in value) and you Close Out your position, you make a profit. For example if the AUD rises and the AUD/USD is now quoted at bid 0.8600 and ask 0.8605 you sell AUD at the bid price of 0.8600 and make the following profit:

AUD950 (AUD100,000 multiplied by (0.8600 minus 0.8505))

If the AUD decreases in value (the USD increases in value) and you Close Out your position, you make a loss. For example if the AUD falls and the AUD/USD is now quoted at bid 0.8400 and ask 0.8405 you sell AUD at the bid price of 0.8400 and make the following loss:

AUD1,050 (AUD100,000 multiplied by (0.8400 minus 0.8505))

Once a position is Closed Out no further Margin is required.

## Example 2: Option Margin FX Contract

You need to make a payment of USD100,000 to an overseas entity in 1 month. To make this payment you need to sell AUD and buy USD. The current AUD/USD Exchange Rate is 0.6000.

You decide to buy a put option from Aliom with an agreed strike price of 0.5950. You have the right (but not the obligation) to convert your AUD into USD at the strike price on the expiration date in 1 month. The option premium cost is AUD3,000.

If the AUD increases (the USD decreasing) to 0.6100 the put option would be out of the money and you would allow your put option to lapse and would sell AUD and buy USD in the foreign exchange market at the quoted Exchange Rate for that day:

AUD163,934.43 (USD100,000 ÷ AUD/USD0.6100)

You have also paid a premium of AUD3,000 for the put option so your total cost of the trade would be:

AUD166,934.43 (AUD163,934.43 + AUD3,000)

If the AUD decreases in value (the USD increasing in value) to 0.5700, the put option is in the money and you would exercise the put option and pay:

AUD168,067 23 (USD100,000 ÷ AUD/USD0.5950)

You have also paid a premium of AUD3,000 for the put option so your total cost of the trade would be:

AUD171,067 23 (AUD168,067 23 + AUD3,000)

Had you not entered into a put option, the amount of AUD you would have needed to pay in 1 month's time would have depended upon the Exchange Rate quoted for that day.

If the AUD had increased in value (the USD decreasing in value) to 0.6100 you would have needed to pay:

AUD163,934.43 (USD100,000 ÷ AUD/USD0.6100)

If the AUD had decreased in value (the USD increasing in value) to AUD/USD0.5700 you would have needed to pay:

AUD175,438.60 (USD100,000 ÷ AUD/USD0.5700).

By entering into an Option Margin FX Contract put option you have ensured certainty of the future cash flow.

## 8. Opening an Account

Prior to transacting in Margin FX, 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 our relationship with you. It is 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 this 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 AUD2,000 is required in order to activate a Mini 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](http://www.aliomonline.com.au) for details of the various types of accounts on offer. Once activated, a minimum balance equal to the minimum deposit must be maintained at all times. Should your balance fall below this amount, Aliom reserves the right to reduce or Close Out your Margin FX 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 Margin FX Contract, Currency Pairs, quantity and price you wish to deal. Aliom DealBook provides you with live prices, news reports and a comprehensive suite of trading tools. Aliom DealBook also has facilities that enable you to monitor your Open Positions and manage your risk in real-time.

Whenever you place an order on Aliom DealBook, you will see the status of your order in the system.

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 placed 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”.

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

In addition to being able to enter an order into Aliom Trader which is an instruction to buy or sell a Margin FX Contract, 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 Margin FX Contract 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 Margin FX Contract 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 Margin FX Contract 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.
- **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.

- **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 and Limit Orders, 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 Currency Pair is filled at a price which is different from the specified threshold of the Stop-Loss Order or Limit Order because the price quoted for the Currency Pair 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 a currency 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 underlying currency markets 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.

### **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.

### **Automatic rollover of trades**

In Spot Margin FX trading, each transaction carries an assigned value date. This value date is the date in which the buying or selling actions will realise their value and demand a settlement of payment. This value date typically falls 2 business days after the transaction was executed. The profits or losses produced by the buying and selling actions will then settle into the specific cash account.

What this means to the Client is that when you take a position in a Spot Margin FX contract it is implied that you will take actual delivery of the currency in two days. However, the majority of individuals that trade the Spot Margin FX market are speculating and have no intention of taking delivery on the currency. This is where the Tomorrow Next Day procedures apply.

If a Client opens and closes a position during the same business day, the value dates will be the same for each transaction. The Client will not experience his positions being carried over into the next day. This is due to the fact that the payment for his purchase or receipt for his payment, has already been transacted and will settle on the same value date.

However, if a Client holds his position past the close of the current business day, the position must be covered and carried over into the next day, unless actual delivery of the currency is desired. Tomorrow Next Day (Tom Next) procedures allow the Client to do this. The position that the Client holds is closed out at a predetermined closing rate, and reestablished at a new opening rate. This action assigns the newly opened position a new value date and allows the client to hold this position another day without taking delivery of the currency. The rates used to convey the new entry prices are known as 'Tomorrow Next Day' rates.

Every day at 3:00PM US ET a swap procedure is performed on all current open positions. All open positions are closed out at a closing rate, which is the rate that each particular currency market is at during this time frame. During the swap procedure all open positions are closed at the closing rate, and any profits or losses that are a part of Floating P/L are moved into Unrealised P/L.

The closed position is then reestablished at a new opening rate. This rate is determined by the price the position was closed out at plus or minus an interest payment. Generally, this swap happens instantly and is either going to demand a small interest payment by the Client or a small interest payment paid to the Client dependant upon which foreign currency the Client is holding. Remember you are holding the currency that you have bought and selling the opposite side, and you are borrowing the currency you have sold and buying the opposite side. So if you are long the USD/JPY, this means you have bought and are holding the USD and have sold and are borrowing the JPY. If you are holding the currency with the higher rate of interest then you will receive an interest payment. If you are holding the foreign currency with the lower rate of interest you will pay an interest payment. These payments are paid or received during the establishment of the new opening rate, in the form of a better or worse new price after the swap has taken place.

Account minimums apply to receive interest payments on your trading account. Mini accounts will not receive interest payments.

## Example

Client A buys 100,000 USD/JPY at a price of 121.90 on 12 June. This means that the Client bought 100,000 USD and sold 100,000 US Dollars worth of Japanese Yen, which at a price of 121.90 is 12,190,000 Japanese Yen.

## Foreign Exchange Confirmations

DATE	TIME	TYPE	B/S	BASE CURRENCY	VALUE DATE	CURRENCY PAIR	COUNTER AMOUNT	RATE	TRANS#
12/6/2002	5:38:16PM	DDL	B	100,000.00CR	6/14/2002	USD/JPY	12,190,000.00DB	12.1900000	851691

## Foreign Exchange Open Positions

The value date for this transaction is 14 June. This means that on 14 June Client A's account would receive, or be credited, 100,000 US Dollars since he bought US Dollars and sold or debited 12,190,000 Japanese Yen.

A problem arises at this point, if the Client does not want to exit his position on the same day. The Client has bought 100,000 USD and must have the same amount of USD available in the account to pay for the 100,000 USD that was bought.

If the Client exits the position before the end of the day, the necessary amount of USD will be in the account to pay for the 100,000 USD that was originally bought. This is because both sides of the transaction would have occurred on the same business day hence the same value date. Thus the Client would have 100,000 USD that was sold at a particular rate to pay for the buy transaction of 100,000 USD that took place earlier in the day.

If the Client does not choose to exit the position before the day ends, the Client would not have any funds available in his account to pay for the 100,000 USD he bought.

The Client must have these funds available in the account to pay for the transaction that occurred. If the Client does not choose to exit the position, then the party holding the transaction must do it for him. Remember even if you sold USD, that means you bought JPY and would need to have the necessary amount of USD on deposit to pay for the JPY buy.

The mismatch occurs on 14 June when the 100,000 US Dollars that were bought on 14 June are credited to Clients account, and the Client does not yet have the 100,000 US Dollars to pay for it because he has yet to buy back the 100,000 USD he originally sold.

The holding party, Aliom, takes all transactions that are left open for the day and closes the transaction out at a closing price. This is defined by RCL on your statement. This is the amount that will be in your account on the same value date as your original transaction to pay for the amount bought.

As you can see below the transaction defined by RCL was to sell 100,000 USD at a price of 121.88, which means that the Client bought 12,188,000 Japanese Yen. This means that the Client who originally bought 100,000 USD at a price of 121.90, subsequently selling 12,190,000 JPY has just sold 100,000 USD at a price of 121.88, subsequently buying 12,188,000 JPY. In this example since the Client sold 12,190,000 Japanese Yen and bought back only 12,188,000 Japanese Yen, he has lost 2,000 Japanese Yen. When these two transactions arrive at their value date the Client will sell 12,190,000 Japanese Yen and receive back only 12,188,000 Japanese Yen.

## Foreign Exchange Confirmations

DATE	TIME	TYPE	B/S	BASE CURRENCY	VALUE DATE	CURRENCY PAIR	COUNTER AMOUNT	RATE	TRANS#
12/6/2002	8:59:52PM	RCL	S	100,000.00DB	6/14/2002	USD/JPY	12,188,000.00CR	121.880000	853464

12/6/2002	8:59:52PM	ROP	B	100,000.00CR	6/15/2002	USD/JPY	12,187,100.00DB	121.871000	853465
12/6/2002	9:16:35PM	MKT	S	100,000.00DB	6/15/2002	USD/JPY	12,163,000.00CR	121.630000	856717

As mentioned above the Client decided to remain in the position. So once the original transaction has been closed out for the day, to pay for the original buy, it must be placed back into the market. This replacing the transaction back into the market is defined by ROP or Roll Open, and has a new value date of 15 June. The swap rate that determines the new reentry price is called a Tom Next rate. Generally, these are rates that represent a small interest payment that the Client will either pay to hold the transaction over into the new day, or receive for holding the transaction over into the new day. The paying or receiving of interest is determined by which currency you are holding or which currency you are long (bought). If you are holding the currency that has the higher rate of interest you will receive a discount in the form of a certain number of pips. If you are holding the currency that has the lower rate of interest you will pay a premium in the form of a certain number of pips. In this case, since Client A was holding or had bought the USD they were holding the currency with the higher rate of interest, so received a discount. This can be seen in the price that the transaction was closed out at, 121.88, and where it was reentered at, 121.871. If we go back over the transaction we can see that the Client originally entered the position at 121.90, was closed out at 121.88, and re opened in the original direction, long, at 121.871. He received a discount in this case by being placed back into the market at a better price than he was taken out at, selling at 121.88 and buying back at 121.871.

Now on 15 June the Client will have 100,000 USD credited back into his account, which the Client bought at a price of 121.871, which means the Client sold 12,187,100 Japanese Yen. This swap process will take place again if the Client chooses not to exit the position before the end of the day. In this case the Client exits the market via a market order, selling 100,000 USD at a price of 121.63, thus buys 12,163,000. The Client now has the 100,000 USD in the account to pay for the 100,000 USD that was bought for him at 121.871. Since he sold 12,187,100 Japanese Yen and only received back 12,163,000 Japanese Yen he lost 23,900 Japanese Yen.

It is important to remember that if you choose to hold any positions open past the close of the business day, which occurs daily at 3:00 PM US ET, those position must first be closed out and any profits credited or losses debited to your account. Your position will then be reopened at the exact price you were closed out at, plus or minus a small premium paid by you or a small discount paid to you. The direction and volume will be the same as it was when you entered the position, the only difference is that you have realised any profits or losses up to that closing rate and are back in the market at the new open price.

**Funding your Account**

You may transfer funds to us 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 Margin FX 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 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 Equity. 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. Additional 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.

**10. Fees and Charges**

Fees and charges when dealing in Margin FX Contracts may incorporate any or all of the following:

- Commission on executed trades;
- service fees;
- Rollover Charges; 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 amount that is calculated by multiplying the Commission rate by the notional value of the counter-currency component of the Margin FX Contract. For example if entering into a AUD/USD Margin FX contract, the commission will be calculated off the USD value of the contract and converted back to AUD at a conversion rate set by Aliom daily. The relevant conversion rate can be viewed on Aliom DealBook. (Refer to the commission rate calculation example below).

The Commission will be debited from your Account as soon as possible after an 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.

<b>Commission Table</b>	
<b>Account</b>	<b>Rate</b>
Mini Account	Up to 0.02%
Other Accounts	Up to 01%

For example, if you have a Mini Account with the commission rate set at 0.01% and you enter into a Spot Margin FX Contract to purchase AUD200,000 and sell USD at the quoted Exchange Rate of 0.9010 you will be charged a commission of AUD20.02 (plus GST).

The calculation of this commission was as follows:

You enter a Margin FX contract to buy AUD200,000 and sell USD at a rate of 0.9010

The USD value of the Margin FX contract will be USD180,200.

With a commission rate of 0.01% the commission would be calculated as USD18.02 (0.01% x USD180,200). The commission rate would then be converted to AUD at the Aliom conversion rate (assume 0.9000) therefore the AUD commission amount would be AUD20.02 (USD18.02 / 0.9000) (plus GST).

### Service fees

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

### 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.

### Rollover Charges you may receive or pay when Margin FX Contracts are “rolled over”.

See Section above – Automatic rollover of trades (Page 20).

### 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, Rollover 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.

## 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](mailto: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](mailto:info@fos.org.au)

Website: [www.fos.org.au](http://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 Implications

There may be taxation implications relating to your entry into Margin FX Contracts depending upon your particular circumstances. Aliom does not provide advice with respect to taxation and you should seek advice from your tax adviser before you enter into any Margin FX Contracts.

The varied nature of Margin FX transactions will mean that the taxation impacts of any gains and losses arising out of such transactions will need to be considered on a case by case basis, with the assistance of your tax adviser in light of your own individual circumstances.

### 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 Margin FX 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.au](http://www.aliom.com.au).

### 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 Margin FX 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 Margin FX 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

**Account** - Account of the client dealing in the products issued by 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 realized credits and debits have been made.

**AFSL** - Australian Financial Services Licence.

**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 transactions 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 the relevant country.

**Call option** - Option giving the buyer the right, without the obligation, to buy a currency.

**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 relevant market 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 Notice** - Notice given by one party to the other to Close Out any Margin FX in accordance with the terms and conditions of the Client Agreement.

**Closing Price or closing price** - The Underlying Price as determined by Aliom at the time Aliom receives the Closing Notice.

**Closing Value or closing value** - Closing Price multiplied by the Quantity.

**Confirmation or order confirmation** - Document or documents confirming evidence exchanged between Aliom and the client, confirming the terms of the Margin FX Contract.

**Contract** - A transaction identified in the Confirmation or contract note as a “Margin FX Contract” or “Margin FX” or any other transaction which both parties agree shall be a transaction.

**Currency Pair** - The two (2) currencies employed in a two (2) currency transaction wherein each party to the trade agrees to deliver a specific quantity of a particular currency to the opposing party in return for a specific quantity of another currency.

**Deal** - Has the same meaning as provided in the Corporations Act.

**Exchange** means any financial market on which the securities, commodities, options or futures may be traded by Aliom on your behalf.

**Exchange Rate** - Number of units of one currency needed to pay for the purchase received from the sale of one unit of another currency. The price of one currency in terms of another.

**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 (available at [www.aliomonline.com.au](http://www.aliomonline.com.au)) which determines how much Initial Margin Aliom requires you to deposit into your Account before a Margin FX Contract 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.

**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 FX** - Margin foreign exchange transaction contract.

**Margin FX Contract** – a Spot Margin FX Contract or an Option Margin FX Contract.

**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](http://www.aliomonline.com.au). Please note that the Market Information Sheet also refers to CFDs (contracts for difference) offered by Aliom which are not the subject of this PDS – please refer to the product disclosure statement for CFDs offered by Aliom at [www.aliomonline.com.au](http://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 Margin FX 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 Margin FX Contract.

**Option Margin FX Contract** - A margin foreign exchange contract with the right, but not the obligation, to buy or sell a specific amount of one currency for another at a predetermined price and date in the future.

**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, 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.

**Put option** - An option giving the buyer the right, without the obligation, to sell a currency.

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

**Rollover Charge** – An amount you may pay or receive for holding a Margin FX Contract overnight based on a rollover swap rate multiplied by the notional value of the relevant position. The swap rate is a varying rate that depends on the current institutional interbank swap rates for the currencies involved, the duration of the rollover period, the size of the position and Aliom's spread.

**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.

**Spot Margin FX Contract** – A Margin FX Contract where the settlement of the contract will occur two Business Days after the day on which the contract is entered into.

**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.

**Total Equity** – The sum of the following:

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

**Unrealised P&L** – This only applies to Spot Margin FX Contracts. Your Unrealised P&L is the profit or loss on a closed Spot Margin FX Contract that has not been reflected in your Cash (this profit or loss will not be reflected in your Cash until the 2<sup>nd</sup> day after the trade has been closed, excluding the day on which it was closed).

**US ET** – United States Eastern Time.

**USD** – United States dollar.

**Value Date** – The date that the Margin FX Contract settles.

**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**

<b>Symbol</b>	<b>IM Factor</b>	<b>1 Point</b>	<b>Example Price</b>
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 – MARGIN FX

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
USD/CAD	0.01	0.0001	1.1003

## PRODUCT DISCLOSURE STATEMENT – MARGIN FX

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

### US Equities Offerings

US SPX 500	10%	1 / 25,000	1 US cent
------------	-----	------------	-----------

## PRODUCT DISCLOSURE STATEMENT – MARGIN FX

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
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

## PRODUCT DISCLOSURE STATEMENT – MARGIN FX

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**

<b>Premium Account</b>	<b>Standard Account</b>	<b>Mini Account</b>
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 FX	Commissions up to 1 Basis Point for FX	Commissions up to 2 Basis Points for FX