AXITRADER

MARGIN FOREIGN EXCHANGE & CONTRACTS FOR DIFFERENCE

COMBINED FINANCIAL SERVICES GUIDE & PRODUCT DISCLOSURE STATEMENT

AxiCorp Financial Services Pty Ltd
ACN 127 606 348 AFSL 318232

Published 5 June, 2015

FINANCIAL SERVICES GUIDE

1. ABOUT THIS FINANCIAL SERVICES GUIDE

This Financial Services Guide (FSG) is designed to provide you with important general information regarding our services and is typically issued prior to providing you with any of our financial products or services. The information contained within this guide includes the following:

- Who we are and how you can contact us;
- The services we are authorised to provide to you;
- How you can communicate with us;
- How we are remunerated for these services;
- The disclosure documents and statements you will receive;
- Our internal and external dispute resolution processes; and
- How we deal with your personal information.

Please contact us if you would like further information on this FSG or on any of our services.

2. WHO WE ARE

The financial services and products referred to in this FSG are issued by AxiCorp Financial Services Pty Ltd ACN 127 606 348 (trading as "AxiTrader") holder of Australian Financial Services Licence number 318232.

3. OUR CONTACT DETAILS

Business Address
Level 12, 80 Mount Street
North Sydney NSW 2060

Postal Address
PO Box 1079,
North Sydney NSW 2059

Toll Free (Australia):	1300 552 388
Direct	+61 2 9965 5830
Email:	service@axitrader.com.au

4. FINANCIAL SERVICES WE CAN OFFER

We hold an Australian Financial Services Licence authorising us to provide the following financial services to retail and wholesale clients:

- deal in foreign exchange contracts and derivatives;
- provide financial product advice in relation to foreign exchange contracts and derivatives;
- make a market in foreign exchange contracts and derivatives.

5. FINANCIAL PRODUCTS WE OFFER

Under this FSG, AxiCorp offers the following financial products to its Clients:

- margin foreign exchange in respect of all major currencies and currency crosses ("Margin FX Contracts");
- contracts for difference ("CFDs") in respect of Equity Indices, Bullion, Commodities; and
- such other products as are notified to you from time to time.

6. OUR ADVICE POLICY

We will provide you with general advice about our products and the financial markets related to our financial products. We do not provide personal advice.

Any advice does not take into account your personal objectives, financial situation or needs. In this instance, you should seek independent professional advice to ascertain whether our products are appropriate for you.

7. PRODUCT DISCLOSURE STATEMENT

All our financial products and services are issued under a Product Disclosure Statement ("PDS"). If you desire to acquire a financial product, we will provide you with our PDS relating to that service or product before you invest in or purchase that product. We will not provide you with our PDS for an underlying asset. This will help you make an informed decision about whether to acquire or utilise such products.

Any PDS we give you will provide further, general information about the different products which we issue and will identify the risks, terms and conditions, our fees charges and commissions, and any association we have that may influence our advice in respect of the product.

8. USING OUR SERVICES

If you wish to utilise AxiTrader's services you must make an application either online or on the form provided.

An application will include information about you that we require to meet our legal obligations including making assessment of whether our products are suitable.

When we make that assessment this will not be Personal Advice. Our products are not suitable for all and so the decision whether our products are suitable for your purpose, financial situation and experience remains yours and we recommend that you seek independent personal advice.

If you wish to deal in one of our financial products, you may do so directly via the appropriate Internet Trading Platform ("ITP").

Before you log onto the ITP to deal in one of our financial products it is important that you understand the risks, costs and benefits of dealing in that financial product. For information on the risks, costs and benefits related to our financial products you should turn to our PDS document.

9. OTHER DOCUMENTS YOU MAY RECEIVE

We will provide you with the relevant documentation to facilitate the requested transactions. These may include, but not be limited to client agreements, account opening applications, and statements.

The Product Schedule which forms part of the Client Agreement sets out the product specifications, Commissions, Administrative Charges and is available on our website.

It is important that you familiarise yourself with all documents before deciding to acquire or deal in our products.

10. WHO WE ACT FOR

AxiTrader is responsible for the financial services provided under our Australian Financial Services Licence.

AxiTrader is a market maker, not an agent, when dealing in its financial products, which are off market over-the-counter ("OTC") derivatives, AxiTrader acts as principal in all transactions with you in respect of these financial products.

11. WHAT OUR FINANCIAL PRODUCTS COST YOU

The Product Schedule provides details about specific transaction fees and costs associated with our financial products.

The common fees and charges that apply to our services include any or all of the following:

- Commissions on Pro-Accounts;
- payment of margin;
- margin adjustments;
- rollover or swap charges calculated at our rollover rates;
- interest charges applied to debit balances; and
- administration fees.

12. REMUNERATION AND OTHER BENEFITS RECEIVED BY OUR EMPLOYEES

Employees of AxiTrader who provide you with general advice and execution services receive remuneration for the provision of these services. Employees' remuneration includes salaries, performance-related bonuses and other benefits.

13. BENEFITS FOR OTHER SERVICE PROVIDERS

You may have been referred to us by a service provider who may receive financial benefits from us.

These should have been disclosed to you by the service provider in question.

We will provide details of any referral benefits that relate to your transactions on your reasonable request.

14. DISCLOSURE OF ANY RELEVANT CONFLICTS OF INTEREST

We do not have any relationships or associations which might influence us when providing you with our services.

However, due to the nature of our services, we may have “long” or “short” positions in, act as principal in, and buy or sell the financial instruments in which you deal. We act as market maker and this may result in a conflict between the interests of AxiTrader and those of our clients.

15. MAKING A COMPLAINT

AxiCorp has an internal dispute resolution process in place to resolve any complaints or concerns you may have.

Any initial concerns should be raised with our Client Services Team. They will assess the situation and make every effort to resolve the matter at the first instance. However, some problems require further investigation so they may ask you for further information and respond to you in writing at a later date.

If your complaint cannot be resolved by our Client Services Team you may request to have the matter escalated internally to our Complaints Officer. The Complaints Officer will review all materials and make an independent assessment.

In general, our internal procedure allows us up to 45 days to resolve a dispute.

If you are dissatisfied with the final outcome, you have the right to lodge a complaint with the Financial Ombudsman Services (FOS). FOS is an approved external dispute resolution scheme, of which AxiTrader is a member, and can be reached on 1300 780 808. You may also make a complaint via the ASIC Info line on 1300 300 630.

Complaints can be made to AxiTrader by telephone, email or letter.

Our complaint handling procedure is available on our website.

16. COMPENSATION ARRANGEMENTS

We have professional indemnity insurance in place that complies with section 912B of the Corporations Act and ASIC Regulatory Guide 126. The policy will cover work done for us by our representatives and employees after they cease to work for us.

17. OUR RECORD KEEPING OBLIGATIONS

We will maintain comprehensive and accurate records of your client transactions and advice provided.

You are advised that telephone calls are recorded and retained for audit, training and dispute settlement purposes.

18. OUR PRIVACY POLICY

We are committed to protecting your privacy. The information you provide to us and any other information provided by you in connection with your transactions will primarily be used for the processing of your application and for complying with certain laws and regulations. We have systems and processes in place which safeguard against the unauthorised use or disclosure of your personal information.

Our privacy statement is available on our Website.

Please contact us if you have any concerns of if you would like further information.

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1. IMPORTANT INFORMATION

1.1 ABOUT THIS PDS

This Product Disclosure Statement (**PDS**), which is dated 5 June, 2015, and is issued by AxiCorp Financial Services Pty Ltd (Australian Financial Services Licence 318232) ("AxiTrader", "**we**" or "**us**") in relation to its Margin Foreign Exchange and Contracts for Difference products. This PDS is designed to assist you in making an informed decision regarding opening an Account and trading our products. Before deciding whether to acquire our Products, you should read this PDS, the Financial Services Guide and the Product Schedule and consider whether our products are suitable investment for you.

The PDS is made available on our Website and we will provide a paper copy free of charge upon request. The information contained in the PDS is current at the date of publication and replaces all previous versions. We may issue a supplementary or replacement PDS from time to time and, where it is not materially adverse to you, may be updated by us by publishing it on our Website. The version of this PDS published on our Website at the time of entering into a Transaction governs that Contract and supersedes all previous PDS, oral or written representations.

The PDS does not form part of the Client Agreement; nor should it be read instead of the Client Agreement.

Additional information is incorporated into this document by reference. That means it is available at www.axitrader.com. Although it is separate to this document, the information available on the Disclosure section of the Website forms part of this document and should be read in conjunction with it. It is signified in this document by the initials IBR and its number.

1.2 General Advice Warning

Information we provide is general information only. Any information provided to you in this PDS, on our Website, through the Trading Platform, by our Client Services team, via email, chat or telephone or otherwise is generic and does not take into consideration your individual objectives, financial situation, needs or circumstances.

Accordingly, before applying to trade with us, you must decide whether our Products are suitable for you. To this end, we recommend that you obtain independent financial, taxation or other professional advice.

Our Products are leveraged and speculative and may not be suitable for you. Their prices and those of the Underlying Instruments, securities or currencies may fluctuate rapidly and widely because of events or conditions which may not be foreseeable and cannot be controlled. When leveraged, our Products can place a significantly greater risk on your investment than non-leveraged investment products. You should read and consider the risk factors associated with trading our Products in Section 6 (**Risk Warning**).**You may incur losses in addition to any fees and costs that apply**. **These losses are not limited and may be far greater than any money deposited into your Account or are required to deposit to satisfy any Margin**.

1.3 AXITRADER AS THE PRODUCT ISSUER

AxiTrader's creditworthiness as the product issuer has not been assessed by an approved rating agency. This means that AxiTrader has not received an independent opinion of its capability and willingness to repay its debts from an approved source.

1.4 Role of ASIC in authorising AxiTrader

The role of the Australian Securities & Investments Commission in licensing and authorising AxiTrader is limited and does not imply approval or endorsement of the business, its trading or solvency or the content of this document.

ASIC has not approved this PDS, the Client Agreement or any other document.

1.5 Jurisdiction Notice

This material is not to be construed as a recommendation; or an offer to acquire, buy or sell; or the solicitation of an offer to acquire, buy or sell any security, financial product, or instrument; or to participate in any particular trading strategy in any jurisdiction in which such an offer or solicitation, or trading strategy would be illegal.

There are legal requirements in various countries that may restrict the information that we are lawfully permitted to provide to you. Accordingly, unless expressly stated otherwise, the information in this document is provided for Australian residents only and is not intended for any person who is a resident of any other country.

You must be over 18 years of age to use the services of AxiTrader.

1.6 Conflict of Interest Disclosure

AxiTrader's employees, officers and directors, including those involved in the preparation of this PDS are paid in part based on the profitability of AxiTrader, which includes earnings from AxiTrader's trading.

Due to the nature of our Products and the services AxiTrader provides, we may have "long" or "short" positions in, act as principal in, and buy or sell the financial instruments. We also act as market maker and may result in a conflict between the interests of AxiTrader and those of our clients.

This material is therefore not independent of our proprietary interests, which may conflict with your interests.

1.7 OUR CONTACT DETAILS

Registered Office	116 Greenhill Road Unley South Australia 5061 Australia
Place of Business	Level 12, 80 Mount Street North Sydney NSW2060 Australia
Postal Address	Client Services PO Box 1079 North Sydney, NSW 2059 Australia
Phone	1300 552 388 (+612 9965 5830)
Email	service@axitrader.com
Website	www.axitrader.com

1.8 TRADING & OFFICE HOURS

Trading hours for Margin FX Contracts and CFDs vary and will depend on the relevant Underlying Instrument's hours of operation. They are set out in the Product Schedule in the annexure and published on our website.

We are under no obligation to quote prices or accept orders or instructions on Contracts to which Limited Trading Hours applies.

Client Services are available during trading hours and can be contacted through online chat available on the Website, by email or phone.

Our office hours are Monday to Friday, 8.00am to 6:00pm AEST.

1.9 References to times and amounts

Unless otherwise specified, references in this PDS to dollar amounts and times are Australian Dollars and Australian Eastern Standard Time.

2. APPLYING TO TRADE WITH AXITRADER Client Suitability

AxiTrader's derivative Products are not suitable for all investors due to the significant risks involved. Our products are most suitable for those with investment experience in leveraged products gained either by trading their own accounts, using similar products in the course of their employment or through demonstrated knowledge of the products and understanding of the risks.

In order to qualify to trade with us, potential clients undertake the Suitability Assessment.

The Client Suitability Assessment does not amount to personal financial product advice. We will only be providing you with general advice and as such, this advice will not take into account your objectives, financial situation or needs. Accordingly, you should obtain your own financial, legal, taxation and other professional advice as to whether Margin FX Contracts or CFDs are an appropriate investment for you. A diagram of this process is set out in Figure 1.

2.1 SUITABILITY ASSESSMENT

In order to establish that an individual has had sufficient trading experience, potential clients must be able to demonstrate all of the following:

- that they have operated, within the past three (3) years, an OTC margin forex or CFD account; **and**
- that they have had **at least** two months of trading experience; **and**
- been as an active trader.

To be considered 'actively operating' as a trader, a potential client must have made at least 20 trades on a non-advised basis during the time that their account has been open and provide a copy of their trading statement.

If a potential client fails to **completely** satisfy **all three** of the above criteria, then they either attempt the quiz (part 2) or attend a training course (part 3).

2.2 Multiple Choice Quiz

In order to qualify, a potential client must record a pass score. The quiz consists of 10 (ten) multiple choice questions, with at least one correct answer required from each of the following sections:

- previous experience in investing in financial instruments, including securities and derivatives;
- an understanding of the concepts of leverage, margins and volatility;
- an understanding of the nature of CFD, and margin FX trading;
- an understanding of the processes and technologies used in trading;
- a preparedness to monitor and manage the risks of trading.

If they pass the multiple-choice quiz, they will be considered qualified to trade through us. If a pass grade is not achieved, then they will be required to complete a training course, as referred to below.

2.3 Training Course

To be considered eligible to trade with us, an individual must undertake and complete a training course that satisfies all of the following criteria:

- A duration of 8-16 hours

  If the course does not meet the minimum time required, then it will be deemed an insufficient qualification.

- Regulated by ASIC

  The training provider must operate under an AFSL that allows them to provide general financial product advice.

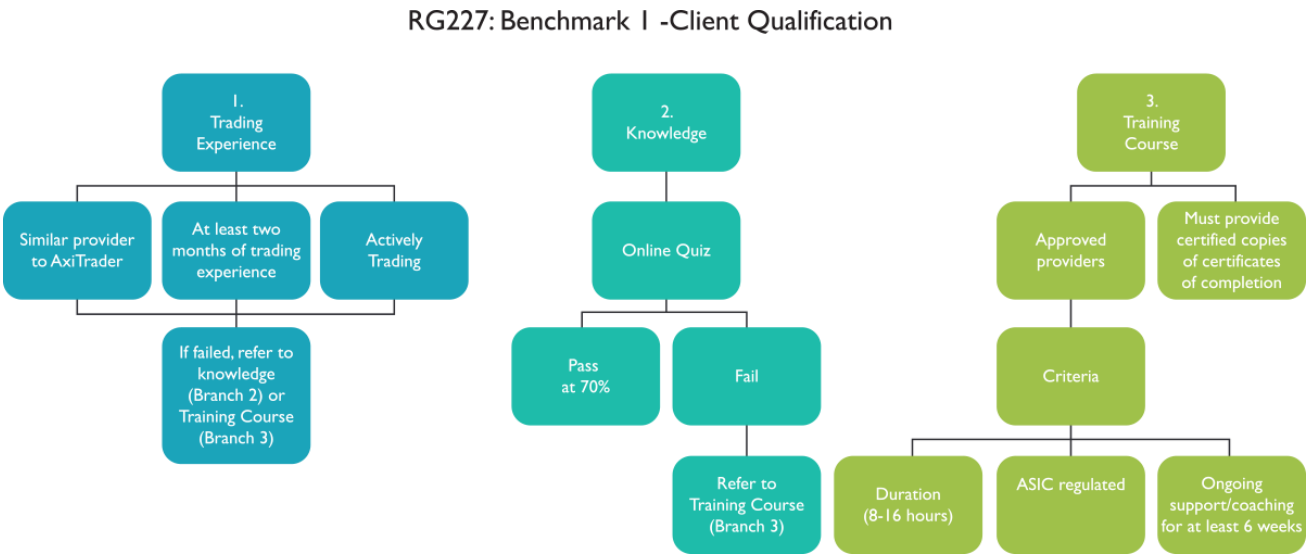
- Provides ongoing support and coaching for a minimum 6 (six) week period.

The potential client must provide us with a copy of the certificate of completion.

If a training course fulfils **all three** of the above requirements, then an individual will be considered qualified to trade with us.

If the potential client cannot **fully** satisfy **all** of the aforementioned elements, then they will not be considered qualified to be a client with us.

Figure 1



2.4 Opening an Account

Your dealings in AxiTrader's Products will be conducted in accordance with the following documents that you will have received from AxiTrader or downloaded from our Website:

- Client Agreement;
- Application Form; and
- Product Schedule.

You must complete an Application Form and be approved by us to open an account.

The Application Form requires applicants to provide personal information to meet our legal and regulatory requirements. You are not required to provide us with all of the information requested but if you fail to provide some information we may be unable to offer you our Products or they may be provided on a restricted basis. You should refer to the Privacy Policy published on our Website which explains how we collect, use, maintain and disclose that information.

2.5 Anti-Money Laundering

We may require further information from you from time to time to comply with the Anti– Money Laundering and Counter-Terrorism Financing Act (AML/CTF Act). By opening an account and transacting with us, you undertake to provide us with all additional information and assistance that we may reasonably require to comply with the AML/CTF Act.

You also warrant that:

a) you are not aware and have no reason to suspect that:

- the moneys used to fund your transactions have been or will be derived from or related to any money laundering, terrorism financing or other illegal activities whether prohibited under Australian law, international law or convention or by agreement;
- the proceeds of your investment will be used to finance any illegal activities; and

b) you are not a politically exposed person or organisation as the term is used in the Anti- Money Laundering and Counter Terrorism Rules Instrument 2007 (No. 1).

2.6 Acknowledgments

By signing and returning or submitting an Application Form electronically you will be deemed to have agreed to the following items. In addition, after having commenced trading with AxiTrader you will be deemed to have agreed to the following matters if you continue trading after receiving a Supplementary PDS and/or replaced or amended Client Agreement:

- that you are aware that investing in derivatives carries a high level of risk to capital and due to the potential volatility and fluctuations in value, you may not get back the amount of your original investment and in certain circumstances you may be liable to pay a far greater sum, with losses being higher than all the moneys you have deposited with us;
- that you have given consideration to your objectives, financial situation and needs and the significant risks of loss that accompany the prospects of profit associated with dealing in AxiTrader's Products and have formed the opinion that dealing in them is suitable for your purposes;
- that you were advised by AxiTrader to obtain independent legal and financial advice concerning this PDS and the Client Agreement;
- that you have obtained appropriate and sufficient independent personal advice;
- that you consent to AxiTrader collecting, maintaining, using and disclosing personal information about you and provided by you in our Privacy Policy;
- that you received or downloaded this PDS with the Client Agreement, and read and understood them;
- that you agree that AxiTrader will provide its services to you on the basis of the Client Agreement and in particular that you will receive documents such as trade confirmations and daily statements in electronic form and that Margin Calls will be delivered by email.

2.7 Depositing funds

Clients may deposit funds through various channels. All funds must be cleared funds on your account before they are made available to use in dealing in AxiTrader's Products.

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

It is your responsibility to ensure that moneys sent to AxiTrader are correctly designated in all respects, including, where applicable, that the moneys are by way of Margin and to which Account they should be applied. Payments by you under the Client Agreement must be free of any withholding tax or deduction by a third party.

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

AxiTrader may in its absolute discretion, without creating an obligation to do so, return any transfer of moneys from a third party account, unless we have previously agreed in writing to accept such a transfer.

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

2.8 CHANGING YOUR MIND – COOLING OFF PROVISIONS

There are no cooling-off arrangements for our financial Products. This means that when we arrange for the execution of a Contract, you do not have the right to return the Product, nor request a refund of the money paid to acquire the Product. You are bound by the terms of a Contract, when you enter into it, despite the fact that settlement may occur at a later date.

2.9 Debts

Where you have opened more than one Account with us, we will treat your Accounts as aggregated for the purposes of satisfying your obligations to settle any moneys owed. This means any credit balance, including money deposited as Margin, on one Account may be used to discharge any debit balances in respect of another Account. Without limiting our other rights under the Client Agreement any monies owed by us (or any of our Associates) to you will, at our election and without prior notice, be Set- Off against any monies owed by you to us.

Please note that AxiTrader does not aggregate Accounts for the purpose of calculating your Margin Requirements or Liquidation Level. Each account's Margin Requirements are treated separately and are subject to liquidation.

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3. REGULATORY BENCHMARK DISCLOSURE

ASIC Regulatory Guide 227 documents seven disclosure benchmarks for OTC Derivatives. Product Disclosure Statements must address the benchmarks on an "if not, why not" basis.

This table sets out the benchmarks and briefly describes how AxiTrader satisfies the benchmarks. A more detailed explanation of how AxiTrader's practices conform to the ASIC benchmarks is available on the Website.

Benchmark	AxiTrader Complies	Description	Website Reference
Client Suitability Address the issuer's policy on investor's qualification for CFD trading.	☑	We will make an assessment based on our criteria of a client's knowledge and experience when applying to open an account.	Benchmark 1
Opening Collateral Addresses the issuer's policy on the types of assets accepted from investors as opening collateral.	☒	To the extent that this benchmark requires that a limit of $1,000 be accepted for opening payments made by credit cards, we accept credit card payments for more than $1,000 as initial funding in order to provide flexible payment options to clients.	Benchmark 2
Counterparty risk – hedging Addresses the issuer's practices in hedging its risk from client positions and the quality of this hedging.	☑	We maintain a policy to manage our exposure to market risks from open positions.	Benchmark 3
Counterparty risk – financial resources Addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements.	☑	We maintain and apply policies to ensure that we meet all of our financial regulatory obligations under the conditions of our Australian Financial Services Licence.	Benchmark 4
Client Money Addresses the issuer's policy on client money.	☑	We have a defined client money policy and hold client moneys on trust on a segregated basis. These moneys are held and used in accordance with the Client Money Rules.	Benchmark 5

Benchmark	AxiTrader Complies	Description	Website Reference
Suspended or halted underlying assets Addresses the issuer's practices in relation to investor trading when the underlying asset is suspended or halted.	☑	We may suspend trading when the Underlying Instrument is suspended or halted or when we are unable to offer an orderly market. If market conditions in the Underlying Instrument become erratic or prevent us from determining a fair price we may suspend trading, refuse to accept orders or transactions. We are not under any obligation to quote or deal in these circumstances but may do so if we are reasonably satisfied that we can provide our services effectively.	Benchmark 6
Margin Calls Addresses the issuers practices in the event of client accounts entering into Margin Calls	☑	All accounts are subject to Margin Requirements. We maintain and apply a written policy in relation to Margin Call practices and discretions. AxiTrader has the right but not the obligation to close out positions if Margin Requirements are not satisfied.	Benchmark 7

4. QUESTIONS & ANSWERS

4.1 WHAT ARE MARGIN FX CONTRACTS?

A Margin FX Contract is an agreement under which you may speculate on fluctuations on the value of an underlying currency relative to another. The price of our Margin FX Contracts is based on the price of an underlying currency (Underlying Instrument). **However, when dealing in Margin FX Contracts with us you will not own or have any interest or right in the Underlying Instrument or have an ability to receive the currency.**

If you have a need to purchase the underlying currency (i.e. to receive the purchased currency), our Margin FX Contracts are not appropriate for you because they do not involve an exchange of one currency for another. The amount of any profit or loss made on a Margin FX Contract will be the net of:

- the difference between the Opening Price of the contract and the Closing Price of the contract;
- any Commission charged by us on the transactions; and
- any Swap Charges or Benefits relating to the Contract.

The balance in your Account will also be affected by other amounts you must pay to us in respect of your Account such as interest on debit balances.

4.2 WHAT IS A CFD?

A contract for difference or CFD is an agreement under which you may speculate on fluctuations in the price of an underlying financial asset. The price of the CFD is based on the price of a financial asset whether that is an index, commodity or futures contract (Underlying Instrument). **However, you will not own or have any interest or right in the underlying financial asset and cannot close an open Position through an exchange or other CFD provider.**

The amount of any profit or loss made on a CFD will be the net of:

- the difference between the Opening Price of the CFD and the Closing Price of the CFD;
- Commissions charged by us on the transaction; and
- any Swap and rollover charges or Benefits relating to the CFD.

The balance in your Account will also be affected by other amounts you must pay to us in respect of your Account such as exchange fees and interest on debit balances.

4.3 WHAT IS A POSITION?

A Position is a Margin FX Contract or CFD entered into by you under the Client Agreement. It may be a bought ("long") or sold ("short") position. You may have multiple contracts open at any one time either bought or sold and your position is the net of all contracts open at any one time.

4.4 WHAT IS "OVER THE COUNTER"?

Over the counter ("OTC") means that our products are not offered or traded on a regulated exchange. Rather, transactions are between you and us ("bilateral") with each party responsible for assessing the credit standing and capacity of the other party before trading. You do not have the protections normally associated with trading on a regulated exchange.

This means you can only close contracts in our products with us and the prices offered by other derivative providers or on an exchange do not apply to your open positions with us.

It is not possible to close a Margin FX Contract or CFD by giving instructions to another provider, broker or Australian financial services licensee.

Refer to the Risk Warning for further information.

4.5 WHAT CHARGES ARE PAYABLE WHEN DEALING IN OUR PRODUCTS?

The common fees and charges you will incur when dealing in our products may include any or all of the following:

- Payment of Margins;
- Commissions;
- Swap and rollover charges calculated at our Swap and Rollover Rates;
- Interest applied to debit balances in your Account; and
- Administration charges.

In addition, AxiTrader's Products are quoted in bid / offer terms. The difference between bid and offer prices is called the "spread". Because of the difference, the price must move favourably before you can break even. In other words, even if the price does not move at all and you close out your

Position, you will incur a loss to the extent of the spread and any other fees.

See Section 1 and IBR 2 – Trading Examples.

4.6 HOW DO WE DETERMINE THE PRICES OF MARGIN FX CONTRACTS AND CFDS?

Margin FX & Bullion CFDs: we derive our prices from those available to us in the Underlying Instrument through our various counterparties. We aggregate the prices available to us and derive our bid and offer from the best bid and ask available. The published prices are the prices on which you deal with us and prices quoted or published by others do not apply to our Products.

On occasions our prices can have very wide spreads that can cause stop losses to be triggered.

Index Future CFDs: our prices for Index Future CFDs are based on the prevailing price of the Underlying Instrument, which is a futures contract based on an Equity Index. We derive our price by applying our spread to the prevailing bid and offer price in the Underlying Instrument.

Commodity CFDs: our Commodity CFDs are based on the prevailing price of the Underlying Instrument, which is a futures contract. We derive our price by applying our spread to the prevailing bid and offer price in the Underlying Instrument.

4.7 CAN WE CHANGE OR RE-QUOTE THE PRICE AFTER YOU HAVE ALREADY PLACED YOUR ORDER?

Yes. Our prices reflect those in the Underlying Instrument. Prices can vary quickly and in some circumstances prices that we publish may not be available for large volumes. In addition, errors can occur and where there are material errors in pricing we have the right to alter the price or even void the transaction (see Clause 9.9 of the Client Agreement).

4.8 WHAT IS "Slippage"

Slippage is the difference between a requested price of a transaction and the price at which the order is executed or filled.

Slippage may be positive (a price improvement) or negative. When executing client transactions AxiTrader's execution price will reflect both positive and negative movements in the underlying price.

Slippage should not be confused with a market gap. Markets may gap, either over the weekend or due to significant unexpected news events. In this case, there is no trading between one price and another. No transactions are conducted in the Contract and the market price is discontinuous.

4.9 IF THERE IS LITTLE OR NO TRADING GOING ON IN THE UNDERLYING MARKET FOR AN ASSET, CAN YOU STILL TRADE MARGIN FX CONTRACTS AND CFDS OVER THAT ASSET?

If the underlying currency is suspended due, for example, to a change in currency policy by a government then our products may be suspended. If the Underlying Instrument is suspended from trading or trading restrictions are introduced then AxiTrader may suspend or introduce trading restrictions on its products. . If market conditions in the Underlying Instrument become erratic or prevent us from determining a fair price we may suspend trading, refuse to accept orders or transactions. We are not under any obligation to quote or deal in these circumstances but may do so if we are reasonably satisfied that we can provide our services effectively.

The Trading hours for our products are set out in the Product Schedule and are also available in the trading platform.

Typically, Foreign exchange markets trade continuously from 05:00pm American Eastern Standard Time (EST) Sunday evening until 05:00pm, American EST on Friday. Consequently, we price our Margin FX Contracts for those periods in which we can offer an orderly market. If the underlying currency is suspended due, for example, to a change in currency policy by a government then our Products may be suspended, In addition, we may suspend trading over the close of business (05:00 pm American EST) in order to process end of day transactions.

For our commodities and index future CFD products, we typically price Products whenever the Underlying Instrument is open. If the Underlying Instrument is subject to exchange halts or suspensions then our pricing will typically be suspended or halted and clients will not be able to enter or exit positions.

Clients should be aware that where a suspension occurs we may restrict account withdrawals and raise Margin Requirements to ensure we have sufficient security against open positions.

4.10 WHAT PAYMENT OPTIONS DO I HAVE?

We offer a full suite of payment options for Clients to open and fund their accounts and provide credit card funding for the ease of providing secure electronic payment system to our Clients. This is used for both instantaneously funding accounts and meeting Margin Calls.

We do not encourage the use of leverage products with borrowed funds and do not accept "cash equivalents" as opening collateral (e.g. no securities as deposits).

4.11 WHAT IS THE MINIMUM BALANCE TO OPEN AN ACCOUNT?

For Standard Accounts, the minimum account opening balance for Australian residents is AUD$1,000 and AUD$2,000 (or currency equivalent) for Non-Residents. AxiTrader may waive the minimum opening balance at its discretion.

For Pro Accounts, the minimum account opening balance is AUD$5,000.

4.12 HOW DO YOU DEAL IN MARGIN FX CONTRACTS OR CFDS WITH US?

You may place orders to deal in Margin FX Contracts or CFDs in two ways:

- using our Trading Platform through a computer connected to the internet or your mobile telephone; or
- by telephoning on 1300 888 936 (within Australia) or +61 2 9965 5803.

We will not accept orders or instructions from you through any other means, such as email.

It is possible for a third party to place orders on your behalf provided that a written and executed Power of Attorney has been received and accepted by us.

4.13 WHAT ARE "LONG" AND "SHORT" POSITIONS?

You can take both 'long' and 'short' Positions. If you anticipate the rate or price of the contract to rise in value then you take a 'long' or bought Position. If you anticipate the rate or price of the contract to fall in value then you take a 'short' or sold Position.

You may sell a contract without having bought initially and in this way benefit from a fall in the value of the Underlying Instrument. However, if the value of the Underlying Instrument rises against your expectation and you subsequently close the position by buying at a higher price, you will suffer a loss.

See IBR 1 – Contracts for Difference and Margin Forex contracts.

4.14 WHAT ARE MY "FREE EQUITY" AND "TOTAL EQUITY"?

Your "Total Equity" is the aggregate of:

- the current cash balance in your Account;
- any accumulated Swap Charges; and
- your current unrealised profits and losses.

The Free Equity is Total Equity less any Initial Margin requirements and unrealised profit or loss on open Positions. This Free Equity is the amount you have available to satisfy in additional changes in Margin Requirements.

4.15 WHAT IS MARGIN?

Margin is initially the minimum amount of Free Equity required to enter into a Margin FX Contract or a CFD with us. This is also referred to as Initial Margin.

The level of Margin required to maintain open Contracts is called the "Total Margin Requirement" and includes "Variation Margin" and is denominated in your Account Currency. Variation Margin is the value of unrealised losses (if any) on open contracts.

Initial and Total Margin Requirements will fluctuate with the value of the Underlying Instrument on which the contract is based. Further, where you deal in a contract that is denominated in a currency other than your Account Currency, your Total Margin Requirement will be affected by changes in value of the respective currencies.

See section 1

4.16 WHAT IS A MARGIN CALL?

A Margin Call is a demand for additional funds to be deposited into your Account to meet your Total Margin Requirement because of adverse price movements in your open Positions or a change in Margin Requirement.

Your Total Margin Requirement can be reduced by electing to close one or more Positions.

See section 1.

4.17 HOW DO I CLOSE OUT A POSITION?

You close a Position by selecting a Position in the Trading Platform and clicking the 'Close' button.

4.18 CAN I HOLD LONG AND SHORT POSITIONS AT THE SAME TIME?

Yes, the Trading Platform will allow long and short positions in the same instrument to be held at the same time.

You can partially close an open position by opening up the order ticket and reduce the volume to the number of contracts to be closed. This will execute a transaction closing a portion of the open position resulting in a settlement of profit or loss on the closed portion and a reduction in Margin Requirement. The balance of the open position will be retained.

Alternatively, you can enter into a transaction in the relevant instrument in the opposite direction to the open trade. This will open a new Contract partially offsetting the existing open position. Your Initial Margin Requirement will reduce reflecting the net open position in the instrument.

In addition, both long and short open positions will be revalued against our current price at the bid and offer respectively meaning that there is a net Variation Margin across the combined position equal to the bid – offer spread.

The wider the spread, the greater the Variation Margin and therefore the greater the Total Margin Requirement on the Account.

Alternatively, the open position can be fully hedged by entering into a new offsetting Contract for the full amount of the open position. The Initial Margin Requirement on the net open position will be nil. However, again, all open Contracts will be revalued against our current Price and, given the difference between the bid and offer, there will be a Variation Margin on the net open position which must be maintained.

A widening of the bid – offer Spread at any time may trigger the Liquidation Level. Positions may be closed causing all open Contracts to be settled and all profit and losses to be realised.

4.19 HOW ARE PAYMENTS MADE IN AND OUT OF MY ACCOUNT?

You may deposit funds by credit card, electronic transfer, B-Pay® or by cheque. All funds must be Cleared Funds 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 or CFDs.

Payments using B-Pay® are not cleared funds in your Account at the time of use of B-Pay®. Generally, cleared funds are received in your Account 24 hours after the use of B-Pay®.

Withdrawals from your Account will be processed either by payment back to your card or through electronic funds transfer. We do not make payments to third parties and may need to request proof of bank account details prior to making a payment to an account not previously used by a client.

4.20 DO I RECEIVE INTEREST ON MONEYS HELD IN MY ACCOUNT OR PAY INTEREST ON MONEYS I OWE TO YOU?

Interest will be paid on credit balances in currency ledgers on your Account (after deducting Margin Requirements for Positions held and valued in that currency) only if:

- you are an Australian tax resident;
- your Account Currency is Australian Dollars; and
- the credit balance in your Account (aggregating the credit and debit balances of each currency ledger) is in excess of your Total Margin Requirements, and such excess amount exceeds the Interest Qualification Level set out in the Product Schedule.

However, we reserve the right to pay interest to clients who are non-residents of Australia for taxation purposes from time to time in our absolute discretion.

Interest will be calculated separately on each currency ledger after deducting Margin Requirements for instruments held and valued in those currencies.

We will charge interest on any debit balances in a currency ledger on your Account.

Any amounts of interest payable to us will be deducted from any interest payable to you.

4.21 WHAT HAPPENS IF I HOLD A POSITION OVERNIGHT?

In relation to Margin FX Contracts and Bullion CFD's, a Swap charge or benefit may accrue daily for any trades held past the market close at 5PM American EST(00:00 MT4 Server time) Monday to Friday. The Swap value is based on the relative interest rate between the two currencies. For example, if you were buying the AUD and selling the USD, and the Australian interest rate is higher than the US Interest rate, you would typically receive a positive Swap benefit overnight. If you were selling the AUDUSD or going 'short', you would pay a Swap charge. The Swap process is completed at 5PM American EST (00:00 MT4 Server time) Monday to Friday.

In relation to other products and for further information see section 9.3.

4.22 HOW DO I LEARN TO USE THE TRADING PLATFORM AND HOW TO DEAL WITH YOU?

Our Trading Platform contains an extensive user guide which is accessible from the 'Help' menu. AxiTrader also provides free practice accounts also known as "Demo" accounts. Contact our Client Services Department for further details.

4.23 WHAT IF I NEED FURTHER INFORMATION?

You should speak to your financial advisor, or, alternatively, you can contact us by:

- Telephone: 1300 888 936 (only in Australia)
  or +61 2 9965 5830
- Email: service@axitrader.com
- Internet: www.axitrader.com

5. KEY BENEFITS

The use of our Margin FX Contracts and CFDs provide a number of benefits, which must, of course, be weighed up against the risk of using them. Benefits include the following:

5.1 SPECULATION

You can use these financial products for speculation, or with the view to profiting from exchange rate fluctuations and the rises and falls in asset prices.

5.2 MARKET POSITION

You can potentially profit (and lose) from both rising and falling markets depending on the strategy you have employed. Strategies may be complex and strategies will have different levels of risk associated with each strategy.

5.3 LEVERAGE

The use of our financial Products involves a high degree of leverage. These contracts enable a user to outlay a relatively small amount (in the form of initial margin) to secure an exposure to the Underlying Instrument. But you must be aware that this leverage can work against you as well as for you. The use of leverage can lead to large losses as well as large gains (See sections 6.1 and 6.3).

5.4 TRANSACTION COSTS

Over-the-Counter products typically offer access to a wide range of financial instruments at transaction costs that are lower than when dealing in the underlying asset. Acquiring an interest in bullion or a currency in the past typically required an investor to hold the asset in physical form. This involved transport and storage costs. As no right, obligation or entitlement to the physical asset attaches to dealing in OTC derivative products this reduces the transaction costs. For the same reason, the difference between the buying and selling price (spread) is typically smaller in OTC derivative products than in the physical markets.

5.5 multiple asset classes

Over-the-counter derivative products allow investors to trade many different financial instruments in a single account without having to purchase the underlying currency and transfer funds internationally. Through a single AxiTrader account an investor can speculate in multiple asset classes from multiple underlying economies.

5.6 THE TRADING PLATFORM

There are significant benefits associated with the use of our Trading Platform. These include:

- the ability to trade in small notional amounts as little as AUD1,000 or 0.01 of a Standard Contract;
- Margin FX markets open at 05:00pm American EST[1] Sunday and close at 05:00pm American EST[2] on Friday.
- CFDs are available during times the Underlying Instrument is in operation;
- Real-time streaming of quotes and the facility to check your accounts and Positions in real time and 24 hours a day on any global market which is open for trading; and
- full control over your account and Positions.

[1]Eastern Standard Time (America)

[2]Eastern Standard Time (America)

5.7 WORKING ORDERS

We offer clients a range of order types to assist in managing their positions. Orders can be placed whilst ever the Underlying Instrument is open for trading.

Important notice about this section:

If you request placement of one of the types of orders described in this section, we have an absolute discretion whether or not to accept and execute any such request.

Stop-Loss Orders:

A Stop-Loss order is an order placed with the aim of limiting the potential loss on an open Position. A Stop-Loss order allows you to specify a price at which you wish to close out a Position or open a Position.

Stop-Loss orders must be placed at a minimum distance from our current bid and offer prices. The minimum distance is specified on the Trading Platform and will be advised to you upon request.

We will execute a Stop-Loss order once the offer price reaches the order price in the case of a buy-order, or our bid price has reached the order price in the case of a sell-order.

We note that stop losses are not guaranteed and the execution of such orders will depend on market volatility and liquidity. Once the Stop-Loss price is reached, the Stop-Loss Order becomes a Market Order to buy or sell (depending on your instructions) and will be executed at the prevailing price. The execution price may be different from the stop-loss order price.

The operation of these order types should be discussed with one of our representatives. You should also refer to our Client Agreement with respect to the operation of these order types.

Stop-Entry Orders:

A Stop-Entry order is an order placed to open a new Position or increase an existing Position at a price which is inferior to the current market price. You may choose to use this type of order when you only want to enter a position after confirmation of a change or establishment of a trend.

Stop-Entry orders can be placed to open new Positions in all of our Products.

You should also note that stop-entry orders must be placed at a minimum distance from a current bid and offer prices, which distance is determined at our discretion. The minimum distance is specified on the Trading Platform.

Limit Orders:

A Limit Order may be used by you to either open or close a Position at a predetermined price that is more favourable to you than the current market price.

We will execute your Limit Order when our offer price has reached the price of your buy-Limit Order or our bid price has reached the price of your sell-limit order.

How to place working orders with us:

Orders may be placed online via our Trading Platform. If you require assistance you should contact one of our representatives.

Fees for placing working orders:

There are no fees specifically associated with using working orders via our online Trading Platform.

Our right to impose order limits:

We retain the right to impose a limit on the number of open pending orders of each account to prevent the degradation of the Trading Platform. The limit is currently set at 100 orders – we retain the right to change this limit.

6. RISK WARNING

6.1 Are AXITRADER'S Products appropriate for you?

You must carefully consider whether AxiTrader's Products are appropriate for you in the light of your personal circumstances, financial markets experience and investment objectives. In making this decision you should be aware you could both gain and lose large amounts of money. You could lose all the margin funds you deposit with AxiTrader. In addition, you could lose further amounts as explained below.

- If the market moves against your Position, or in the case of Commodity CFD's your Position is rolled over you may be required, at short notice, to deposit with AxiTrader further monies as margin in order to maintain your Position. Those additional funds may be substantial. If you fail to provide those additional funds your Position may be liquidated. You will be liable for any shortfall in your Account resulting from that liquidation.
- You could lose all moneys deposited with AxiTrader, and in addition, be required to pay AxiTrader further funds representing losses and fees on your open and closed Positions. For example, although you may only invest $1,000 in an Account, if the market moves against your Position, you could lose the full value of the Position.
- Under certain conditions, it could become difficult or impossible for you or us to close or liquidate a Position. For example, this can happen when there is a significant change in prices over a short period or some change in government policy causes an Underlying Instrument to be suspended, closed or revalued. Refer to sections 6.2 and 6.7 for a more detailed explanation about these risks.
- AxiTrader will not or may be unable, in all circumstances, to accept your request to place an order. Refer to sections 6.2 and 6.7 for further details.
- If AxiTrader accepts your request to place an order, such an order may not always limit your losses to the amounts that you had intended. Market conditions may make it impossible to execute such orders. Refer to Section 6.2 for more detailed explanation about these risks.
- The high degree of leverage that is obtainable in dealing in AxiTrader's Products because of small Margin Requirements can work against you as well as for you. The use of leverage can lead to large losses as well as large gains.

We will not give you any personal financial product advice in relation to Margin FX Contracts or CFDs. Further, the Client Suitability process does not amount to personal financial product advice. We will only be providing you with general advice and as such, this advice will not take into account your objectives, financial situation or needs. Accordingly, you should obtain your own financial, legal, taxation and other professional advice as to whether Margin FX Contracts or CFDs are an appropriate investment for you.

6.2 Market Risk

Derivative instruments are speculative & volatile

Derivative instruments can be highly volatile due to the market conditions of the Underlying Instrument and the amount of leverage available. The prices of AxiTrader's Products and their Underlying Instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled.

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

Dealing is affected by factors in the Underlying Instrument

The prices of AxiTrader's Products are derived from the prices in the Underlying Instruments. Under certain market conditions, it could become difficult or impossible for you to manage the risk of open Positions by entering into offsetting Positions in another Contract or closing existing Positions.

Sometimes markets move so quickly that "gapping" occurs. Gapping is the exposure to loss from failure of market prices or rates to follow a "smooth" or continuous path due to external factors such as global political or economic events. If "gapping" occurs in the Underlying Instrument, it will also occur in the price of the relevant AxiTrader Product. In this case, you may be unable to close out your Position or open a new Position at the price at which you have placed your order or may have liked to place your order.

The Underlying Instrument may lack liquidity, caused by insufficient trading activity or because the aggregate of all requests for orders at a particular price determined by us exceeds the available volume in that market. This may affect our ability to offer Margin FX Contracts or CFDs to allow you to close out your Position or open a new Position.

As a result, a potentially profitable transaction may not be executed, or it may not be possible to close out a Position in a timely fashion at the price you require. This may lead to reduced profits and high losses.

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

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

In any of these circumstances, we have the right to close your open Position, limit the size of your open Position, refuse to quote or execute transactions. You will be liable for any losses suffered in such circumstances. You should refer to clause 15.2 of the Client Agreement.

Foreign exchange risks

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

Where dealing in an AxiTrader Product that is denominated in a currency other than the Account Currency, all Margins, profits, losses and Swap Charges are calculated using the currency in which the AxiTrader Product is denominated.

Accordingly, your profits or losses will be affected by fluctuations in the relevant foreign exchange rate.

Upon closing a Position in an AxiTrader Product that is denominated in a currency other than the Account Currency AxiTrader will automatically convert all amounts into your Account Currency. Any conversion will be at the Exchange Rate quoted by AxiTrader (this may be different to the price quoted for a Margin FX Contract).

Until the foreign currency balance is converted to the Account Currency, fluctuations in the relevant foreign exchange rate will affect the ultimate profit or loss made on the position when revalued in the Account Currency.

Loss caused by spread

Because of the difference between the buying and selling price, the relevant price must move favourably before you can break even. In other words, even if the contract price does not move at all and you close out your Position, you will incur a loss to the extent of the spread and of any AxiTrader fees.

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

Interest rate fluctuations

Should you deal in a Margin FX Contract fluctuations in the interest rates applicable to those underlying currencies will affect the Swap Charges. In some cases, these interest rates can vary widely and at short notice causing the Swap Charges to be significantly higher. If you are holding a short Position in a high yielding currency then the Swap Charges may cause significant losses.

Should you hold a long Position in an Index or Commodity CFD and the interest rate of the currency in which it is denominated rises significantly then the value of the position is likely to drop significantly causing losses.

Rolling over Future CFDs

Upon expiry of any Futures CFD, open Positions will be rolled on the expiry date of the CFD contract.

AxiTrader will revalue the position at the prevailing AxiTrader Price. Clients are advised that the next serial CFD may trade at a premium or discount to the expiring contract and Clients may immediately have a profit or loss without conducting a new transaction.

6.3 LEVERAGE & DEALING ON MARGIN

You may incur losses to the extent of your total exposure to us and any additional fees and charges that you are liable to pay to us. These losses may be far greater than the money that you have deposited into your Account or are required to satisfy Margin Requirements. In addition, you could be required to pay further funds that represent losses and other fees on your open and closed Positions.

Changes in Margin Requirements

We may under clause 10.5 of the Client Agreement exercise our right to alter the Margin Requirements in relation to any of our CFDs or Margin FX Contracts at any time at our discretion. Notification of this alteration can be given to you either orally or in writing. The alteration will take immediate effect over the affected open Positions. This change will affect your Free Equity and may cause Positions to be liquidated.

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

Where an Underlying Instrument is suspended or halted we will use the last traded price of that Underlying Instrument for the purposes of determining Margin Requirements and valuations. Where AxiTrader has reasonable grounds to believe that a different price reasonably reflects the value of the Contract then it may, at its absolute discretion, price the contract differently.

You will incur a Margin Requirement based on the value of the AxiTrader Product determined by us. If you do not satisfy that Margin Requirement we have the right, but not the obligation, to close that position and you will be liable for any loss suffered.

Risk Resulting from Margin Calls

If the price moves against your open Position you may be required, at short notice, to deposit further moneys with us in order to satisfy your Total Margin Requirement and maintain your Position. The amount of the additional Margin may be substantial and failure to pay it promptly may result in:

- some or all of your open Positions being closed or liquidated by us;
- you being prevented from opening new Positions or extending existing Positions; and
- you being liable for interest charges on negative or debit balances.

Further, any additional funds must become cleared before they will be taken as satisfying your Margin Call. In some circumstances, your Position may be liquidated before any additional funds that you deposit in response to a Margin Call have had the opportunity to become Cleared Funds.

You should note that when holding both long and short positions in the same instrument (hedge) the transactions are revalued for Margin purposes at their respective bid and offer prices. During periods of low liquidity, high volatility or prior to, or just following, the closing or opening of markets the spread will be wide resulting in increased Margin obligations. This may trigger the liquidation of Contracts even though the Position is hedged.

Clients are warned not to rely solely on AxiTrader issuing a Margin Call email. It is the Client's obligation to monitor Margin Requirements and to ensure they maintain sufficient Free Equity to meet any potential adverse movement. We do not guarantee that Margin Calls will be received or that sufficient time will be available to forward monies to avoid suffering losses.

Margin Calls when Positions are Hedged or Partially Hedged

Clients are permitted to have both long and short positions in the same instrument at the same time. However, Margin Requirements still apply.

All open Contracts are revalued against the bid and offer respectively for the purpose of calculating Variation Margin. Due to the bid – offer spread Variation Margins will apply even though the net position may be hedged.

A widening of the Spread during periods of low liquidity or high volatility may mean that Variation Margins are significant. Where Free Equity is relatively small this may result in triggering the Liquidation Level causing all open Contracts to be closed.

Clients are reminded that all open Contracts are rolled independently and not on a net basis. This means that there is a net cost incurred when holding open offsetting

open Contracts even when the net open position may be nil.

Consequently, Clients are advised to monitor Total Margin Requirements even when partially hedged.

6.4 AXITRADER acts as PRINCIPAL & Product Issuer

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

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

Protections normally associated with dealings on licensed markets are not available when trading in our Products. For example, trading on the Australian Stock Exchange (ASX) generally has the benefit of a guarantee system known as the National Guarantee Fund which provides protection from fraud or misconduct by brokers in connection with certain ASX trades. Such guarantee funds do not apply to AxiTrader's Products.

If you require further information about our financial position, please contact us and request a copy of our audited financial statements. These will be provided free of charge.

6.5 COUNTERPARTY RISK

You will be dealing with us as counterparty to every transaction and you will, therefore, have an exposure to us in relation to each transaction. This is common in all OTC financial market products.

As a consequence, you will be reliant on our ability to meet our counterparty obligations to you to settle the relevant Contract

AxiTrader's creditworthiness as the product issuer has not been assessed by an approved rating agency. This means that AxiTrader has not received an independent opinion of its capability and willingness to repay its debts from an approved source.

Furthermore, as we enter into hedge transactions with other counterparties in relation to the exposures arising from client transactions you are indirectly exposed to the risk of default by one or more of our counterparties.

6.6 SEGREGATED ACCOUNTS

It is important to note that the holding of client moneys in one or more trust accounts may not afford you absolute protection.

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

The purpose of trust accounts is to segregate our Clients' money, including your moneys, from our own funds. However, an individual client's money may be co-mingled in one or more segregated Client Accounts and this exposes Clients indirectly to the risk of default by other Clients who fail to settle their losses.

You are also exposed indirectly to the financial risks of the institutions with which we hold Client Monies.

Should there be a deficit in the segregated trust accounts and we become insolvent you will be an unsecured creditor in relation to the balance of the moneys owing to you.

What is an unsecured creditor?

In the event of our insolvency, as an unsecured creditor, Clients will need to submit to the liquidator proof of the balance of AxiTrader's obligations, as evidenced by their Account statements. Refer to section 7.2 for information about how Client Monies are treated in this circumstance.

6.7 OUR DISCRETIONS

Under the Client Agreement, AxiTrader has certain discretionary powers. These include discretion not to accept orders, not to provide a quote or refuse to deal. Clients should review the Client Agreement carefully and, if necessary, seek legal advice.

Circumstances in which AxiTrader may close Client Open Positions

Clients should be aware that under the Client Agreement AxiTrader has the right, whether with or without prior notice, to refuse to quote, refuse to deal and close out all or part of Clients' open Positions if any of the Events of Default or Force Majeure Events arise. These events include the suspension or delisting of an Underlying Instrument from which an AxiTrader Product is derived.

In such circumstances, although AxiTrader may attempt to provide notice it may not always be possible and we are not obliged under the Client Agreement to provide such notice.

AxiTrader reserves the right to close a Client's open Positions if a Product is removed from our Product Schedule. Circumstances in which we may remove a Product include when the Underlying Instrument is prohibited by a government or by regulations from being traded.

Right to limit Open Positions

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

This may occur for example, because of some event in the Underlying Instrument or in order to limit our exposure to an Underlying Instrument or Client or otherwise protect AxiTrader's interests.

Right to refuse Trades

AxiTrader has the right under the Client Agreement to refuse any transaction or order for any reason. Circumstances in which AxiTrader may decide to do so include, but are not limited to the following:

- where AxiTrader is, in its opinion, unable to maintain an orderly market in any one or more of the Products as a result of the occurrence of any act, omission or event (including any specific or general circumstance beyond AxiTrader's control such as a natural disaster, political or regulatory occurrences or upheaval, disruption to, communications, power or other infrastructure);
- the suspension, closure, liquidation or abandonment of any relevant market or Underlying Instrument;
- the imposition of limits or special or unusual terms in the relevant markets or Underlying Instrument such as the prohibition of short selling in an Underlying Instrument or the introduction, change or abandonment of any price controls;
- the excessive movement, volatility or loss of liquidity in the relevant markets or Underlying Instrument;
- when AxiTrader, in its opinion, considers it necessary for the protection of its rights under the Client Agreement; or
- when AxiTrader considers that the Client may be in possession of "inside information" as defined by the laws of the relevant country.

6.8 REGULATORY & SOVEREIGN RISK

Changes in taxation and other laws, government fiscal, monetary and regulatory policies may have a material adverse effect in your dealings in Contracts with us.

6.9 Warning Regarding One-Click Dealing

The Trading Platform dealing tickets can be operated on a single click. Clients are warned that once an instruction to buy or sell is passed they will not be provided with an opportunity to check the details of the instruction before it is sent to AxiTrader. Consequently, Clients should take additional care that their instructions are correct.

6.10 OPERATIONAL RISKS

Electronic Advisors

Clients are advised of the risks in utilising electronic trading advisors. AxiTrader bears no responsibility for the performance of these trading systems and will accept no responsibility for losses arising from their use whatsoever.

Communication Networks

When using the Trading Platform transactions are conducted over the internet. Clients are therefore exposed to the operational risks associated with transmitting instructions over communication networks. This includes but may not be limited to:

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

Trading Platform

There are operational risks associated with any trading platform and any disruption to our Trading Platform may mean that you will be unable to trade in the Product with us when desired. Accordingly, you may suffer a loss as a result caused by a delay in our operational processes such as communications, computers, computer networks, software or external events that cause delays in the execution of a transaction. We do not accept or bear any liability whatsoever in relation to the operation of the Trading Platform, except to the extent that it is caused by fraud or dishonesty on our part or on the part of our employees.

We reserve the right in unforeseen and extreme market situations to suspend the operation of our Trading Platform or any part or section of it. In such an event, we may, at our sole discretion, and under the Client Agreement, with or without notice, close out your open Contracts at prices we consider fair and reasonable at such time.

7. HOLDING YOUR MONEY

7.1 TRUST ACCOUNT

We will handle all client funds we receive in accordance with and subject to Part 7.8 of Division 2 of the Corporations Act and ASIC Regulatory Guide 212: *Client money relating to dealing in OTC derivatives.* Where required, client funds will be paid into a trust account maintained by us with an authorised deposit-taking institution (ADI).

However, you should note that we are entitled, amongst other things, to:

- withdraw, deduct or apply any amounts payable by you to us and/or any associate of ours under the Client Agreement from your moneys held in any trust account or invested by us including, without limitation making a payment for, or in connection with the deposits, instalments, adjusting or setting of dealings in our products entered into by you or the payment of charges or interest to us, with all such amounts belonging to us under the Client Agreement;
- pay, withdraw, deduct or apply any amounts from your moneys held in any trust account or invested by us as permitted by the Australian Client Money Rules; and
- use such moneys for the payment of amounts to counterparties with whom we enter into derivatives to hedge our exposure to Margin FX Contracts or CFDs arising from our clients' transactions under the Client Agreements..

We do not hold individual segregated accounts and your moneys will be co-mingled into one or more trust accounts with our other clients' moneys.

We are also obliged to deposit any moneys due to you in relation to dealings in our Products and we must deposit them into a trust account.

Those obligations to you under the Client Agreement and our Products are unsecured obligations, meaning that you are an unsecured creditor of us.

7.2 PROTECTION AFFORDED BY THE AUSTRALIAN CLIENT MONEY RULES

Under the Australian Client Money Rules, we must hold your moneys on trust.

Furthermore, the Australian Client Money Rules provide that in the event that we lose our Australian Financial Services Licence, become insolvent, merge with another licensee or cease to carry on some or all of the activities authorised by the licence, client money held by us or an investment of client money, will be dealt with as follows:

- money in the trust account is held in trust for the persons entitled to it, and is paid in the order set out below;
- if money in the trust account is invested, the investment is likewise held in trust for each person entitled to money in the account;
- the money in the account is to be paid in the following order:
    - i. money that has been paid into the account in error;
    - ii. the next payment is payment to each person who is entitled to be paid money from the account;
    - iii. if the money in the account is not sufficient to be paid in accordance with the above paragraphs, the money in the account must be paid in proportion to the amount of each person's entitlement; and
    - iv. if there is any money remaining in the account after payments made in accordance with the above paragraphs, the remaining money is payable to us.

These rules override anything to the contrary in the Australian *Bankruptcy Act 1966*, in the *Corporations Act* or other law, in the Client Agreement.

7.3 WARNING ABOUT TRUST ACCOUNTS

It is important to note that our holding your moneys in one or more trust accounts may not afford you absolute protection.

The purpose of trust accounts is to segregate our clients' money, including your moneys, from our own funds. However, an individual Client's money is co-mingled into one or more segregated Client accounts.

Furthermore, segregated trust accounts may not protect your moneys from a default in the segregated customer accounts.

Should there be a deficit in the segregated trust accounts and in the unlikely event that we become insolvent before the topping up of the segregated trust accounts in deficit, you will be an unsecured creditor in relation to the balance of the moneys owing to you.

7.4 WHAT IS AN UNSECURED CREDITOR?

In the event that you become an unsecured creditor of us, you will need to lodge a proof of debt with the liquidator for the amount of moneys that are owing to you as evidenced by your account statements. The liquidator then assesses all proofs of debts to determine which creditors are able to share in the assets of the company, and to what extent depending on the amounts owing to them and any priority they may have to be paid.

8. MARGINS AND MARGIN CALLS

8.1 MARGIN AND MARGIN CALLS

Margin FX Contracts and CFDs are subject to Margin Requirements, which it is your responsibility to meet to maintain your Positions.

There are two components of the Margin, which you may be required to pay in connection with Positions. These are the *Initial Margin* and *Variation Margin*.

8.2 INITIAL MARGIN

The Initial Margin is an amount of money, which is due from you at the time the Position is entered into. The Initial Margin is security to protect ourselves against possible market movements.

When you open a Position with us in Margin FX Contracts and CFDs you will need to have sufficient Free Equity in your Account to satisfy the Margin Requirement for that Position. Margin Requirements vary with each product and a list of them as at the date of this PDS are set out in the AxiCorp Product Schedule available on our Website.

8.3 EXAMPLES OF MARGIN REQUIREMENTS

Examples of the calculation of the Margin Requirement for various types of CFDs follow. You should refer to the AxiCorp Product Schedule for the current Margin Requirements for each instrument.

Bullion CFDs Margin Requirements

The Initial Margin Requirement on Bullion CFDs is generally 1% of the notional value of your Position. Margin Requirements on Bullion CFDs are calculated as follows:

Margin Requirement = Contract Quantity x Contract Price x Margin Percentage

For example, to buy 100 ounces (1 Standard Contract) of XAUUSD Bullion CFDs at a price of USD750 the Margin Requirement would be calculated as follows:

(100 x 750) x 1% = USD 750

Commodity CFDs Margin Requirements

The Initial Margin Requirement on Commodity CFDs is generally 1%. Commodity CFDs have Minimum Point Increments (or “ticks”) of between 0.01 and 1.0. As a result, your Margin Requirement can be calculated as follows:

Margin Requirement = (Margin Percentage x current Contract Price / Minimum Point Increment) x Contract Quantity

For example, to buy 10 USWTI CFDs at a price of USD70, the Margin Requirement would be calculated as follows:

(1% x 70/0.01) x 10 = USD 2,100

Please refer to AxiCorp’s Product Schedule for individual commodity tick values.

Index Future CFDs Margin Requirements

The Initial Margin Requirement for Index Future CFDs is generally 1% of the notional value of the Position. Margin Requirements on Index Future CFDs can be calculated as follows:

Margin Requirement = Margin Percentage x Contract Price x Contract Quantity

For example, to buy 10 AUS SPI 200 Index Future CFDs trading at 6,000, the Margin Requirement calculation would be as follows:

1% x 6,000 x 10 = AUD 600

8.4 TOTAL EQUITY BALANCES

The Total Equity of your Account will fluctuate reflecting the money you have deposited in your Account, the dealings you have conducted and the Positions you hold.

Your Total Equity and Margin Requirements are revalued in line with movements in our prices.

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

To assist you, Total Equity and Free Equity together with Total Margin Requirement are available on the Trading Platform and are published in a daily statement.

You will only be allowed to withdraw funds up to the ledger balance in your Account. Clients must maintain a positive ledger balance (cleared funds) whilst ever transactions are open. You cannot withdraw funds from unrealized profits. Additionally, you will only be allowed to deal and maintain open Positions on the basis of Cleared Funds in your Account, not on promised funds or funds in transit.

8.5 PROFITS AND LOSSES

Profits made from your dealing activities increase the Total Equity in your Account. Losses made as a result of your dealing activities decrease the Total Equity balance on your Account, and therefore the Total Equity available for dealing in Margin FX Contracts and CFDs or holding Positions.

8.6 VARIATION MARGIN

The *Variation Margin* is an amount payable when a Position moves against you. Again, this amount is determined by us in our discretion and is intended to protect us against unrealised losses which you may have suffered.

The Variation Margin liability is incurred at the time of the occurrence of any movement in the market that results in an unrealised loss.

8.7 CHANGE TO MARGIN REQUIREMENTS

We may under the Client Agreement exercise our right to alter the Margin Requirements of any Margin FX Contract at any time at our discretion.

Furthermore, if we determine that a Force Majeure Event (defined in clause 27 of the Client Agreement) exists then we may, without prejudice to any other rights under the Client Agreement and at our sole discretion, take any one or more of the steps outlined in clause 27.2 of the Client Agreement.

One of the steps that we may take is to increase the Margin Requirements from that specified up to 100%. Accordingly, in extreme cases, you should be prepared at any time to have funds equal to the notional value of your Margin FX Contract or CFD available to meet any increase in the Margin Requirements by us.

8.8 MONITORING MARGIN REQUIREMENTS

Clients are responsible for monitoring their margin requirements. Positions are revalued whilst markets are open and clients can monitor the requirements within the Trading Platform.

If the value of the Position moves against you, then you will be required to deposit additional funds (Variation Margin) and, if so, you will be subject to a Margin Call; i.e. to pay additional Margin or, alternatively, to close the Position in order to reduce your Initial Margin. In other words, you must maintain sufficient Free Equity in your Account in Cleared Funds to cover any increases in your Total Margin Requirement. If your Total Margin Requirement exceeds your Total Equity, your Account will be placed on Margin Call. If your Account reaches the Liquidation Level some or all of your Positions may be liquidated.

8.9 NOTIFICATION OF MARGIN CALL

When an Account has insufficient funds to satisfy the Total Margin Requirements a Margin Call is generated and sent to the email address provided by the client to AxiTrader. Clients are advised that they must maintain sufficient Free Equity to meet the Total Margin Requirement at all times. We are not obliged to allow time to forward funds to meet Margin Calls as markets can be volatile and AxiTrader may without notice, in its discretion, close out all or some Positions if the Margin Requirements are not satisfied. Whilst the Account remains in deficit a Margin Call email will be sent every 30 minutes.

Clients are warned not to rely solely on AxiTrader issuing a Margin Call email. It is the Client's obligation to monitor Margin Requirements and ensure they maintain sufficient Free Equity to meet any potential adverse movement. We do not guarantee that Margin Calls will be received or that sufficient time will be available to forward monies to avoid suffering losses.

Derivatives can be highly volatile and consequently we can make Margin Calls at any time. It is your responsibility to monitor and manage your open Positions and exposures and ensure Margin Calls are met as required.

8.10 MARGIN CALLS WHERE SEVERAL POSITIONS ARE OPEN

Margin Calls will be made on a net account basis, i.e. should you have several open Positions Margin Calls are netted across all open transactions. In other words, the unrealised profits of one transaction can be used or applied as Initial Margins or Variation Margins to offset the unrealised losses of another transaction.

However, should a client have another account any Free Equity will not be taken into consideration when assessing Margin Requirements. In other words, each account is assessed individually and separately.

Note that any Free Equity in one account may be applied by AxiTrader to settle a deficit in another account.

8.11 MARGIN CALLS WHERE POSITIONS ARE HEDGED OR PARTIALLY HEDGED

Clients are permitted to have both long and short positions in the same instrument at the same time. However, Margin Requirements still apply.

By holding open and equal number of both bought and sold Contracts the Initial Margin will be offset. However, all open Contracts are revalued against the bid and offer respectively for the purpose of calculating Variation Margin. Due to the bid – offer spread Variation Margins will apply even though the net position may be hedged.

A widening of the Spread during periods of low liquidity or high volatility may mean that Variation Margins are significant. Where Free Equity is relatively small this may result in triggering the Liquidation Level causing all open Contracts to be closed.

Clients are reminded that all open Contracts are rolled independently and not on a net basis. This means that there is a net cost incurred when holding open offsetting open Contracts even when the net open position may be nil.

Consequently, Clients are advised to monitor Total Margin Requirements even when partially hedged.

8.12 PAYMENT OF MARGIN CALLS

As pointed out in section 8.8, if your open Positions move against you and your Free Equity balance falls below your Total Margin Requirement, your Account will be placed on Margin Call.

Restoring your Free Equity and satisfying your Margin Call obligations will require:

- closing or reducing one or more of your open Position(s) in order to reduce your Total Margin Requirement; and/or
- depositing additional funds into your Account in order to satisfy the Total Margin Requirement.

If you choose to deposit additional funds into your Account, these additional funds must be cleared funds before they will be treated as having satisfied your Margin Call obligations.

Once your Free Equity balance falls below your Total Margin Requirement, you may wish to consider whether to place a Stop Loss order. Section 0 in this PDS outlines the orders that you may place (including Stop Loss orders).

The placing of Stop Loss Orders is no guarantee that losses will be limited to the amounts that you may want. Refer to the Risk Warning in this PDS.

Once your Free Equity balance falls below your Total Margin Requirement, you may be restricted from dealing on your Account until your Free Equity balance meets or exceeds your Total Margin Requirement.

8.13 FAILURE TO MEET MARGIN CALLS

If you fail to meet any Margin Call, or where we do not have time to make a Margin Call, then we may in our absolute discretion and without creating an obligation to do so, close out, without notice, all or some of your open Positions (or transactions) and deduct the resulting realised loss from your account.

8.14 REVALUATION OF POSITIONS

Under the terms of the Client Agreement, we may in our discretion revalue open Positions to market to bring forward the payment of unrealised profits and losses on those Positions. We have the right to limit the size of your open Positions, whether on a net or gross basis under any appropriate circumstances as determined by us.

8.15 LIQUIDATION LEVEL

We may place a liquidation order for your open Position(s) when your Total Equity balance falls below the Liquidation Level or zero, whichever is the greater. At or below this Liquidation Level, we may liquidate some or all of your open Positions. However, we do not represent or warrant that we will place such liquidation orders, that they will be executed, or that your open Positions will be closed out at any particular level. You are responsible for losses that you may incur, despite us having the right to close out your Position before the losses were incurred.

The Liquidation Level is the ratio between Total Equity and Margin Requirement.

$$\text{Liquidation Level} = \frac{\text{Account Balance +/- Unrealised Profits}}{\text{Margin Requirement}}$$

The Liquidation Level is specified in the Product Schedule and within the Trading Platform. We may vary the Liquidation Level by providing details on the Website and in our Product Schedule or otherwise in accordance with the Client Agreement.

8.16 ORDER OF POSITION CLOSURE

In circumstances in which an Account becomes subject to forced closure (Liquidation) and there are open Contracts in a number of AxiTrader Products or multiple Contracts open in the same Product, Contracts will be closed according to the following rules:

- Contracts which are currently open and quoted by AxiTrader;
- The Contract with the largest Initial Margin Requirement will be closed first;
- Remaining contracts will be closed in descending order based on their Initial Margin Requirement;

For any open position in an AxiTrader Product closed for trading, suspended or halted the liquidation will be effected when trading resumes at the opening price quoted by AxiTrader should the Liquidation Level still be in breach.

9. FEES, COSTS AND CHARGES

9.1 GENERAL

The fees and charges when dealing in Margin FX Contracts and CFDs may incorporate any or all of the following:-

- Margin Requirements;
- Swap and rollover charges or benefits at the AxiCorp Swap and Rollover Rates;
- Interest charges applied to debit balances in your Account;
- Exchange fees;
- Administration charges.

The Product Schedule sets out the current Commissions charged on Pro Accounts, the Margin Requirements and Administration Charges.

9.2 COMMISSIONS

Standard Account

No commissions are charged on transactions executed in our Standard Accounts.

Our transaction fees are incorporated into the bid-offer spread for each Product (AxiCorp Spread). Because we deal as principal, the prices we offer you may not be the same as those in the underlying market and may be wider.

The price offered to you may depend upon a number of factors including transaction size, term of the Product, our business relationship with you, the prevailing underlying market rates and in the case of swaps and rollovers on the differing interest rates applicable to the currency pair involved in a margin foreign exchange transaction.

Pro-Account

Our commission on Pro Accounts pays for our clearing and aggregation costs, together with our cost of providing the service to you.

The Commissions are set out in the Product Schedule available on our Website.

9.3 SWAPS AND ROLLOVERS

In relation to Margin FX Contracts and Bullion CFD's a Swap Charge or Benefit may accrue daily for any open contracts as at the market close (5PM American EST(00:00 MT4 Server time Monday to Friday).

In relation to Future CFD's no daily Swap Charge or Benefit will accrue. However, for any Contracts open at the expiry date, a rollover charge or benefit will accrue. These rollovers occur every 1 or 3 months depending on the Underlying Instrument.

Rollovers when Positions are Hedged or Partially Hedged

Clients are permitted to have both long and short positions in the same instrument at the same time. However, Swap Costs apply.

All open Contracts are rolled independently and not on a net basis. This means that there is a net cost incurred when holding open offsetting open Contracts even when the net open position may be nil.

Margin FX Contracts & Swaps

Our swap rate for Margin FX Contracts is a variable rate that is dependent on the currency pair, the applicable swap rate in the interbank markets for the relevant dates, the size of the Position and the AxiCorp Spread that is applied at our discretion.

The interbank swap rate that is applied reflects the interest rate differential between the two currencies, the demand for funds in those currencies and the prevailing market conditions.

Example: If you hold a long Australian Dollar / US Dollar (AUD/USD) Position over End of Day and interest rates are higher in AUD than in USD, then you may receive a Swap Benefit at the AxiTrader Swap Rate. This is because you are long the high yielding currency. Conversely, if you were short AUD/USD in the above scenario then you may incur a Swap Charge at the AxiCorp Swap Rate. In circumstances where the two interest rates are near parity, almost equal to each other, a Swap Charge may be imposed for both Long and Short open Positions.

Bullion Swaps

The AxiCorp Rate for Bullion CFDs is a variable rate dependent on the applicable swap rate in the Underlying Instrument for the relevant dates, the size of the Position and the AxiCorp Spread that is applied at our discretion.

The Swap Charge or Benefit is calculated by multiplying the total notional value of the Position by the swap rate.

Example: In general, interest rates on United States Dollars are higher than Bullion lending rates. In this scenario, Long parties to a Bullion CFD would typically incur a daily Swap Charge for Contracts held over the market close. Conversely, Short parties to a Bullion CFD will typically receive a Swap benefit.

Future CFD Swaps

There is a cost incurred when rolling Future CFD contracts. The cost is equal to the value of the bid – offer spread in the AxiTrader Price.

Rollover arises when the Underlying Instrument of the AxiTrader Product is due for expiry and AxiTrader commences deriving its price from the next serial Futures contract. As the next serial Futures contract will trade at either a discount or premium to the expiring Futures contract the change in Underlying Instrument for revaluation purposes will cause a profit or loss on an AxiTrader account. The Swap Fee applied by AxiTrader adjusts for this revaluation but Contracts that are rolled do incur the cost of the bid – offer spread.

In order to minimise the bid – offer spread AxiTrader typically switches from using the front month to the next serial contract 1-2 trading days prior to the Underlying Instrument's last trading day when liquidity can be limited.

Example:

You are the Long Party to 10 AUS SPI200 Contracts at a price of 5,950.

The Underlying Instrument is the March ASX S&P200 and is due to expire when the June contract will become the Underlying Instrument.

The prevailing prices are set out below:

	AUS200 CFD	March Future	June Future
Pre-Rollover	5,919 – 23	5,920 – 22	5,935 – 37
After Rollover	5,934 – 38	5,920 - 22	5,935 – 37

Your long position is currently revalued at the AxiTrader bid of 5,919 and the unrealised profit is calculated as follows:

(Current Bid – Entry Price) x AUD25.00 x 10 Contracts

(5,919 – 5,950) x AUD25 x 10 = (AUD 7,750) Loss

When the AxiTrader Product is derived from the next serial contract the unrealised profit will be:

(5,934 – 5,950) x AUD25 x 10 = (AUD 4,000) Loss

Due to the change in revaluation the unrealised loss will be reduced by AUD 3,750.

To adjust for this revaluation, AxiTrader applies a swap charge using the following calculation:

(Opening Price New Contract – Closing Price Expiring Contract) x AUD25.00 x 10 Contracts

(5,937 – 5,920) x AUD25.00 x 10 Contracts = AUD 4,250 Debit

The net effect of the revaluation and swap adjustment is:

Revaluation – Swap Adjustment = AUD 3,750 – AUD 4,250 = (AUD 500) Loss

That is, the net cost is equal to the value of the bid – offer spread in the AxiTrader Price.

If you were the Short party to this contract in the same circumstances the revaluation would have resulted in a

reduced unrealised profit. The rollover would be a positive amount to compensate for the revaluation effect and the net cost would again be equal to the bid – offer spread in the AxiTrader Price.

Rollovers typically occur on a quarterly basis for Commodity and Index Futures CFDs. However, the CAC40 is rolled on a monthly basis.

9.4 SETTLEMENT OF SWAP AND ROLLOVER CHARGES AND BENEFITS

The Rollover Fees are accrued in the swap value field of the open trade Position when performed daily and are included in the calculation of Free Equity. When the Position is closed the total Rollover Fees are debited from the Client Account in the Account Currency In the event that there are insufficient funds in your Account the Fees will be debited and any balance due becomes a debt due and owing by you to us.

9.5 CONVERSION FEES

Profits or losses accumulated in your Account in currencies other than the Account Currency nominated by you will be converted to the nominated Account Currency, but at spreads that may be wider than those shown on the Trading Platform.

9.6 INTEREST CHARGES APPLIED TO BALANCES

If you fail to make any payment required under the Client Agreement when it falls due, interest will be charged on the outstanding sum at a rate of 5% per annum over the cash rate determined and published by the Reserve Bank of Australia (or equivalent foreign government authority). Interest accrues and is calculated daily on the outstanding sum from the date payment was due until the date the client pays in full and is compounded monthly.

9.7 ADMINISTRATION CHARGES

Certain administrative fees and charges apply to our services. These may include:

- deposit and withdrawal fees;
- international remittance fees;
- duplicate statements and audit letter fees;
- debt collection or returned cheque fees.

Current fees and charges are set out in the Product Schedule.

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10. TAXATION IMPLICATIONS

This section contains a summary of the Australian taxation implications for Australian residents dealing in Margin FX Contracts and CFDs, and is based on Australian taxation laws as at the date of this PDS. It is provided for guidance only.

Australian residents and non-Australian residents should, therefore, seek professional taxation advice that is based on their individual circumstances and in the case of non-residents the taxation laws of both Australia and their country of taxation.

10.1 TAXATION RULING: CONTRACTS FOR DIFFERENCE

The approach of the Commissioner of Taxation to the income tax and capital gains tax consequences of dealing in financial contracts for difference, such as CFDs, is reflected in Taxation Ruling 2005/15. We set out a summary of that ruling below which we believe is also relevant to the income tax treatment of Margin FX Contracts.

A copy of Taxation Ruling 2005/15 is available at www.ato.gov.au.

It is the Commissioner's view that any gain a taxpayer makes from dealing in a CFD will be assessable income under section 6-5 of the Income Tax Assessment Act 1997 (ITAA 1997), while any loss it makes from dealing in CFD will be an allowable deduction under section 8-1 of ITAA 1997 provided that:-

- the CFD transaction is entered into as an ordinary part of carrying on a business; or
- the profit is made, or the loss is incurred, as a consequence of a business operation or commercial transaction entered into for the purpose of profit-making.

A gain from dealing in a CFD will also be assessable income under section 15-15 of ITAA 1997 where a taxpayer is carrying on, or has carried out, a profit-making undertaking or scheme, and the gain from it is not assessable under 6-5 of ITAA 1997. Correspondingly, a loss from dealing in a CFD where the gain would have been assessable under section 15-15 of ITAA 1997 is an allowable deduction under section 25-40 of ITAA 1997.

A gain or a loss from a CFD entered into for the purposes of recreation by gambling will not be assessable under either section 6-5 or 15-15 of ITAA 1997, or deductible under section 8-1 or 25-40 of that Act.

The Commissioner is also of the view that a capital gain or a capital loss from a CFD entered into for the purpose of recreation by gambling will be disregarded under paragraph 118-37 (1)(c) of ITAA 1997.

10.2 ADDITIONAL MATTERS NOT COVERED BY RULING

The following matters are also relevant when dealing in CFDs.

Capital Gains Tax

A CFD is a CGT asset under section 108-5 of ITAA 1997. On the maturity or closing-out of a CFD, CGT Event C2 happens (section 104-25 of 1997). However, to the extent that a gain from dealing in a CFD as a result of a CGT Event is assessable under section 6-5 or 15-15 of ITAA 1997, a capital gain arising from the event is reduced (section 118-20 of ITAA 1997). To the extent that a loss made from dealing in a CFD is deductible under sections 8-1 or 25-40 of ITAA 1997, the reduced cost base of the asset is reduced, thereby reducing the amount of the capital loss (subsection 110-55(4) of ITAA 1997).

Finally, in calculating any capital gain or loss, a taxpayer is entitled to take into account the cost of acquiring, holding and disposing of the CFD.

Interest

Any interest received in relation to a CFD is assessable income.

Interest on Debit Balances

Any interest on the debit balance of an investor's account is deductible.

Interest Paid or Received due to holding a CFD

Interest that is paid or received due to holding a CFD forms part of any net gain or loss that a taxpayer makes when dealing in CFDs.

10.3 THE INCOME TAX TREATMENT OF MARGIN FX CONTRACTS

It is significant that Income Tax Ruling 2005/15 did not refer specifically to Margin FX Contracts.

Margin FX Contracts take the same legal form as currency CFDs. It should, therefore, be reasonably expected that the taxation implications of dealing in both instruments, will be identical and will be treated accordingly by the Commissioner. However, it may well be that he will adopt the view that currency CFDs fall under Division 775 of ITAA 1997, because not only is the physical currency caught, but also a right to receive foreign currency, with an extended definition which would appear to include cash-settled margin foreign exchange contracts. It should, however, be noted that the tax treatment would appear to be the same whether a Margin FX Contract falls for treatment under the above Ruling or under Division 775; that is they are treated on revenue account.

It is problematic whether the entry into a Margin FX Contract could ever be regarded as an exercise in recreation by gambling.

10.4 TAXATION OF FINANCIAL ARRANGEMENTS

In March 2009, the Federal Parliament passed the Tax Laws Amendment (Taxation of Financial Arrangements) Act ("the legislation"). This legislation provides a framework for the taxation of gains and losses from certain financial arrangements. Gains from the financial arrangements are assessable and losses are deductible.

The legislation generally applies to all "financial arrangements" as defined in subdivision 230-A or included by the additional operation of subdivision 230-J. However, certain financial arrangements, as detailed below are effectively subject to an exemption under subdivision 230-H.

Division 230 of the legislation provides a range of elective methods for determining gains and losses; namely the fair value method, the retranslation method, the hedging method and the financial reports method. Where these selective methods are not, or cannot be made, the appropriate treatment is either the accruals or realisation method.

Relevantly, the legislation does not apply to:

a) financial arrangements of individuals;

b) financial arrangements of superannuation funds (regulated and self-managed), approved deposit funds, pooled superannuation funds or managed investment schemes for the purposes of the Corporations Act 2001 where the value of the entity's assets is less than $1 million;

c) financial arrangements of authorised deposit-taking institutions, securitisation vehicles and financial sector entities with an aggregated annual turnover of less than $20 million per year; or

d) financial arrangements of other entities;

   (i) with an aggregated annual turnover of less than $100 million – where the value of the entity's financial assets are less than $100 million; and

   (ii) where the value of the entity's assets is less than $300 million;

   (iii) except where the taxpayer elects to have division 30 of the legislation apply to all of its financial arrangements.

e) The legislation will apply to income years commencing on or after 1 July 2010, unless a taxpayer elects to apply them to income years commencing on or after 1 July 2009.

f) It will be appreciated that the legislation will have limited application to investors in CFDs and Margin FX Contracts. However, there may be special circumstances where it may be beneficial for you to elect to apply division 30 to your financial arrangements.

g) You should, therefore, seek independent tax advice on how the legislation will apply to you.

10.5 GOODS AND SERVICES TAX (GST) RULING

The Commissioner has also released a determination relating to the GST implications of trading in CFDs: GST Determination GSTD 2005/3.

The Commissioner has stated that the costs incurred in having a CFD Position open, such as commissions (on both opening and closing), dividend and corporate event adjustments, Daily Funding Charges and Margins are all considered financial supplies under the A New Tax System (Goods and Services Tax) Act 1999 ("the GST Act"). Consequently, they are input taxed and no GST is payable on their supply. GST may apply to certain fees and costs charged to you and you should obtain your own advice as to whether an input tax credit is available to you for such fees and charges as it will depend on you personal circumstances.

11. CLIENT AGREEMENT

This PDS summarises many important elements of the Client Agreement. However, it is not a comprehensive description for the terms and conditions of the Agreement and you must read it in its entirety. Indeed, you should consider seeking legal advice before entering into the Client Agreement, as the terms and conditions contained in it are important and affect your dealings with us.

You should note clause 18 of the Client Agreement, which empowers us to amend the Client Agreement, subject to your rights of objection.

11.1 DISCRETIONS

Under the Client Agreement, we may exercise a variety of discretions. In exercising such discretions, we will act in accordance with the following:

a) we will have due regard to our commercial objectives, which include;

   (i) maintaining our reputation as a product issuer;

   (ii) responding to the market forces;

   (iii) managing all forms of risks, including, but not limited to operational risk and market risk; and

   (iv) complying with our legal obligations as a holder of an Australian Financial Services Licence;

b) we will act when necessary to protect our Position in relation to the Trade or event;

c) we will take into account the circumstances existing at the time and required by the relevant provision, and not take into account irrelevant or extraneous considerations or circumstances;

d) we may take into account your trading or investment experience; and

e) at all times, we will act reasonably, commercially and bona fide, and where required or appropriate provide you with prior notice before exercising that discretion.

12. SUPERANNUATION FUNDS

Complying superannuation funds are subject to numerous guidelines and restrictions in relation to their investment activities. These are contained in the Superannuation Industry (Supervision Act) 1993, the regulations made under that Act, and circulars issued by past and present regulators of superannuation funds, namely the Insurance and Superannuation Commission, the Australian Prudential Supervisory Authority and the Australian Taxation Office.

Some of the issues that should be considered by a trustee of a complying superannuation fund before entering into our financial Products include:

- prohibitions on borrowing and charging assets and whether dealing in financial products would breach those borrowing and charging prohibitions;
- the dealing in financial products in the context of a complying superannuation fund's investment strategy, together with the fiduciary duties and other obligations owed by trustees of those funds;
- the necessity for trustees of a complying superannuation fund to be familiar with the risk involved in dealing in financial products and the need to have in place adequate risk management procedures to manage the risks associated in dealing in those products; and
- the consequences of including adverse taxation consequences if a superannuation fund fails to meet the requirements for it to continue to have complying status.

13. REMUNERATION OF OUR ADVISERS AND THIRD PARTIES

13.1 REMUNERATION AND OTHER BENEFITS RECEIVED BY OUR EMPLOYEES

Our employees who provide you with transaction execution may receive remuneration for the provision of these services. Our employees also receive salaries, performance-related bonuses and other benefits.

13.2 SHARING OF COMMISSIONS AND OTHER AMOUNTS

We may share charges or benefits with our associates or other third parties or receive remuneration from them in respect of transactions we enter into with you. We may share such amounts with introducing advisers and referrers for the introduction or referral of clients to us.

13.3 REFERRAL BENEFITS FOR OTHER SERVICES PROVIDERS

You may have been referred to us by a service provider who may receive financial or non-financial benefits from us. These should have been disclosed to you by the services provider in question. Please note that such benefits will not impact transaction fees, the rate you will be offered or deposits or instalments payable for financial Products or services undertaken with us.

14. COMPLAINTS AND DISPUTE RESOLUTION

We have an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. Any complaints or concerns should be directed to the Client Services team (by telephone or email). We will do our best to resolve the issue at the first point of contact. However, if we are unable to do so to your satisfaction you may refer the complaint to the Complaints Officer. We will investigate your complaint and provide you with our decision and the reasons on which it is based, in writing. We will seek to resolve your complaint within 21 business days.

If we are unable to resolve the complaint within 45 business days we will: (a) inform you of the reasons for the delay; (b) provide you with updates on progress of the complaint; and (c) specify a date when a decision can be reasonably expected. We would expect that in most cases the above process would deal with the matter fully and to your satisfaction.

If you are dissatisfied with the outcome, you have the right to lodge a complaint with the **Financial Ombudsman Service (FOS)**, an approved external dispute resolution scheme, of which we are a member, using the contact details below. **You may also make a complaint via the ASIC Info line on 1300 300 630**.

You can contact FOS by any of the means listed below:

Financial Ombudsman Service

GPO Box 3

Melbourne VIC 3001

Toll Free (Australia):	1300 780 808
Overseas:	+61 3 9613 7366
Email:	info@fos.org.au
Website:	www.fos.org.au

15. PRIVACY POLICY

The information you provide to us upon application and in connection with your transactions will primarily be used for the processing of your application and for complying with certain laws and regulations. AxiTrader collects, maintains, uses and discloses personal information in the manner described in our Privacy Policy. Our Privacy Policy is available on our Website or by calling our Client Services team.

16. INTERPRETATION AND GLOSSARY

INTERPRETATION

2. The defined terms used in this PDS are capitalised and set out in this section.
3. If there is any conflict between the terms of this PDS and any Applicable Law, the Applicable Law will prevail provided that any Applicable Law relating to the provision of Margin demands will not apply.
4. In this PDS any reference to a person includes bodies corporate, unincorporated associations, partnerships and individuals.
5. In this PDS, all references to times of the day are to the time in Sydney, New South Wales, Australia, unless otherwise specified.
6. Headings, notes and examples in this PDS are for reference only and do not affect the construction of the Agreement.
7. In this PDS any reference to any enactment includes references to any statutory modification or re-enactment of such enactment or to any regulation or order made under such enactment (or under such a modification or re-enactment).

In this PDS the following terms and expressions have, unless the context otherwise requires, the following meanings:

ACCOUNT	means the account(s) that has been opened by AxiTrader for the Client;
ACCOUNT CURRENCY	means the currency selected by you under the Client Agreement and which, in the absence of a selection will be AUD dollars;
AEST	means the time in Sydney, New South Wales, Australia;
AFSL	Means Australian Financial Services Licence Number 318232
AML/CTF ACT	means the Anti-Money Laundering and Counter-Terrorism Financing Act and all regulations, rules and instruments made under that Act;
APPLICATION FORM	means the application form and account opening documentation, including documentation required to be returned for the purposes of complying with Anti-Money Laundering and Counter-Terrorism Financing legislation, completed by you and submitted to us whether electronically or in hard copy;
ASIC	means the Australian Securities and Investment Commission;
AUD OR $	means Australian dollars;
AUSTRALIAN CLIENT	means a client who is a resident within Australia (based on the address in their Application Form or as notified by the Client to us from time to time).
AUSTRALIAN CLIENT MONEY RULES	means the provisions in Part 7.8 of the Corporations Act and the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with client moneys and property;
AXICORP OR AXITRADER	means AxiCorp Financial Services Pty Ltd ACN 127 606 348 AFSL 318232
AXICORP PRODUCT SCHEDULE	means the list of Margin FX Contracts and CFDs which we hold ourselves out from time to time as willing to quote a price, as amended by us from time to time. The Product Schedule is available at www.axitrader.com;
AXICORP SPREAD	means the difference between the bid and offer prices of a Contract quoted from time to time by us and, where appropriate, expressed as a percentage of the relevant price;
AXITRADER PRODUCTS	means the financial products issued by AxiTrader;

AXICORP SWAP RATE OR OUR SWAP RATE	means the rate as we may determine from time to time having regard to the interbank swap for swaps;
BULLION CFDS	means a CFD whose value fluctuates by reference to the fluctuations in the Underlying Instrument which relate to gold or silver;
BUSINESS DAY	means : any day other than a Saturday, Sunday or public holiday on which banks are open for business in Sydney, New South Wales, Australia; (a) in the case of services relating to an Index to which Limited Hours Trading applies, any day on which the exchange on which the relevant security or each constituent security has its primary listing, or the exchange on which the Index operates, whichever is applicable, is open for trading, and will exclude any day on which all trading on the relevant exchange is closed or suspended; (b) in the case of services relating to an Index to which Limited Hours Trading does not apply, any day on which any relevant exchange is open for trading.
COMMODITY CFDS	means a CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Instrument relating to oil or gas;
CONTRACT	means any transaction entered into between us and you, whether oral or written, including any derivative, option, future, contract for difference or other transaction relating to the financial products issued by us;
CONTRACT PRICE	means the price we offer you to trade in our financial products from time to time and which is calculated by us according to the Client Agreement;
CORPORATIONS ACT	means the *Corporations Act 2001* of the Commonwealth of Australia;
CURRENCY LEDGER BALANCE	upon realising your profit and loss for a Margin FX Contract or CFD Position denominated in a foreign currency you will hold a foreign currency balance in your Account that can be converted back to your Account Currency upon request (and which may be converted back to your Account Currency by us in certain circumstances as described in this PDS);
ELECTRONIC SERVICE	means a service provided by us, for example an internet trading service offering clients access to information and trading facilities, via an internet service, a WAP service and/or an electronic order routing system and including relevant software provided by us to enable you to use an electronic trading service;
EVENT OF DEFAULT	means an event described in clause 15.1 of the Client Agreement;
EXCEPTIONAL MARKET CONDITIONS	means an exceptional market condition as we may in our reasonable opinion determine exists, including but not limited to, a Force Majeure Event;
EXPIRY DATE	means the day on which the Margin FX Contract or CFD expires;
EVENT OF DEFAULT	means an event happening on a Specified Event;
FORCE MAJEURE EVENT	means an event that is defined as a “Force majeure Event” in clause 27.1 of the Client Agreement’
FOREIGN CLIENT	means a Client who is a resident outside Australia (based on the address in their Application Form or as notified by the Client to AxiCorp from time to time);
FOS	means the Financial Ombudsman Scheme.
FREE EQUITY	is your Total Equity less your Total Margin Requirement;
INDEX FUTURES CFD	means a CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Instrument, which is an Equity Index Futures Contract;
INIITIAL MARGIN	means, such percentage of the Contract Value as specified by us, and as amended by us under the Client Agreement from time to time;

LIMITED TRADING HOURS	means the ability of the Client to trade Margin FX Contracts and CFDs and (where available) as are designated by us from time to time under this Agreement only during such hours as the relevant exchange is open;
LIQUIDATION LEVEL	means the minimum Free Equity balance specified at section 8.15 of this document;
MARGIN	means the amount that you must have in your Account to enter into a Margin FX Contract with us;
MARGIN CALL	means a call on you normally made via the Trading Platform, requiring you to top up the amount of money you have in your Account as Margin in order to maintain your Margin Requirements where the market has moved against you, and where the additional payment is required in order to maintain your open Positions;
MARGIN CONTRACT	means any Contract, whether oral or written or concluded electronically entered into between you and us and includes Margin FX Contracts;
MARGIN FX CONTRACT	means a Contract between you and us for the taking of Positions in a foreign currency;
MARGIN REQUIREMENT	is the amount of Margin you are required to have in your Account from time to time in order to enter into a Margin FX Contract or CFD, or to maintain your Position/s;
MARKET ORDER	means an order placed to buy or sell a CFD at our current price;
MID PRICE	means the price at the mid-point between our bid and offer prices;
MINIMUM POINT INCREMENT	represents the minimum possible price change between two successive transaction prices permitted by us. The Minimum Point Increment can represent either an upward or downward movement in price;
MINIMUM TRADING SIZE	means such minimum Contract quantity or Contract value as we may specify on our Website from time to time for any type of Margin FX Contract or CFD;
NEXT SERIAL FUTURES CONTRACT	means a futures contract of the same type as the futures contract which is the Underlying Instrument of the relevant CFD Contract, but with the Expiry Date being the next occurring Expiry Date;
NORMAL TRADING SIZE	means the minimum and maximum Contract quantity or Contract value that we reasonably consider appropriate, having regard if appropriate, to the normal market size for which prices are available in the Underlying Instrment;
PDS	means our product disclosure statement, including a supplementary and replacement product disclosure statement;
POSITION	means the long or short Position you have taken in your Margin FX Contract or CFD with us;
RELATED BODY CORPORATE	has the meaning given to it by the Corporations Act, with any necessary modifications for companies incorporated outside Australia;
ROLLOVER BENEFIT	means the benefit you may receive where you have a short Index Future CFD or Commodity CFD held overnight and which is described in paragraphs 9.3 and 9.4 of this PDS.
ROLLOVER CHARGE	means a charge you may have to pay where you have a long Index Future CFD or Commodity CFD held overnight and which is described in paragraphs 9.3 and 9.4;
SWAP BENEFIT	means a benefit you may receive where you have a short Margin FX Contract or CFD - other than an Index Futures CFD or Commodity CFD – held overnight and which is described in paragraphs 9.3 and 9.4.
TOTAL EQUITY	means the aggregate of the current cash balance in your Account and your current unrealised profits and losses;
TOTAL MARGIN REQUIREMENT	means the sum of your Margin Requirements for all of your open Positions;

TRADING PLATFORM	means the trading platform in the Electronic Service we make available to you by which you may trade with us online in our Margin FX Contracts and CFDs;
UNDERLYING ENTITY	means an entity that is the issuer of an Underlying Instrument.
UNDERLYING INSTRUMENT	means the underlying asset, security, currency, commodity, futures contract or index, the reference to which the value of a Margin FX Contract or CFD is determined;
UNDERLYING MARKET	means the Underlying Market in which the Underlying Instrument is traded.
VARIATION MARGIN	means the unrealised profit or loss on an open position as calculated by AxiTrader and reported either in the Trading Platform or on a Statement;
WEBSITE	means the internet address www.axitrader.com and includes the Trading Platform.
WE/US	means AxiCorp Financial Services Pty Ltd (ACN 127 606 348) trading as AxiTrader;

AxiCorp Financial Services
AFSL 318232
www.axitrader.com.au
Tel: 1300 888 936

AXITRADER PRODUCT SCHEDULE

IMPORTANT NOTICE

This Product Schedule issued by AxiCorp Financial Services Pty Ltd (AxiTrader) forms part of the Client Agreement and should be read in its entirety. It sets out the Margin Requirements, Fees and Charges Clients will incur when dealing in our Products, the interest that you may pay or receive in respect of your Account balances and other costs you will incur.

This Product Schedule describes the various contract specifications for the Margin FX Contracts and Contracts-for-Difference (CFDs) that we offer.

LIQUIDATION LEVEL

We may place a liquidation order for your open Position(s) when your Total Equity balance falls below the Liquidation Level or zero, whichever is the greater.

The Liquidation Level is **20%** unless varied by us in writing.

$$\text{Account Equity} = \frac{\text{Account Balance} \; +/- \text{ Unrealised Profits}}{\text{Margin Requirement}} < 20\%$$

COMMISSIONS

PRO Accounts

The table below sets out the Commissions payable on Foreign Exchange transactions on PRO accounts on closed trade basis.

Commissions are charged in the Account Currency and are based on the number of standard contracts bought or sold in each transaction.

Where a fraction of a standard contract is dealt the charge is made on a pro-rata basis.

Account Currency	per Standard Contract (Round – Turn)
AUD	$7.00
CAD	$5.75
CHF	7.00
EUR	€6.25
GBP	£4.50
JPY	¥800
NZD	$9.25
SGD	$9.25
USD	$7.00

Standard Account

No commissions are charged on transactions executed in our Standard Accounts.

Our transaction fees are incorporated into the bid-offer spread for each instrument (AxiCorp Spread). Because we deal as principal, the prices we offer you may not be the same as those in the underlying market and may be wider.

The price offered to you may depend upon a number of factors including transaction size, term of the product, our business relationship with you, the prevailing underlying market rates and in the case of swaps and rollovers on the differing interest rates applicable to the currency pair involved in a margin foreign exchange transaction.

FEES & CHARGES

Swap Fees

The Swap Fee is an adjustment reflecting the relative difference in interest rates or yield on the underlying instruments.

Typically, AxiTrader will charge Swap Fees on a Long Position and pay Swap Fees on Short Positions. However, in certain market conditions AxiTrader may require Clients to pay a Swap Fee where ordinarily they would have received a Swap Fee.

Client accounts will either be credited or debited with the Swap Fee based on open positions as at the close of business each business day.

The Swap Fee accrues whilst the position remains open and is credited or debited to Client Accounts when the trade is closed.

Swap Fees are subject to change and are available within MT4 trading platform for each instrument under the properties menu item (contract specifications).

Swaps in Account Currency

Swap Fees are made in relation to the counter currency and are converted to and applied in the Account Currency.

Future CFD Swaps

There is a cost incurred when rolling Future CFD contracts. The cost is equal to the value of the bid – offer spread in the AxiTrader Price.

Rollover arises when the Underlying Instrument of the AxiTrader Product is due for expiry and AxiTrader commences deriving its price from the next serial Futures contract. As the next serial Futures contract will trade at either a discount or premium to the expiring Futures contract the change in Underlying Instrument for revaluation purposes will cause a profit or loss on an AxiTrader account. The Swap Fee applied by AxiTrader adjusts for this revaluation but Contracts that are rolled do incur the cost of the bid – offer spread.

In order to minimise the bid – offer spread AxiTrader typically switches from using the front month to the next serial contract 1-2 trading days prior to the Underlying Instrument's last trading day when liquidity can be limited.

FX & Bullion Swaps

The price of a Margin FX Contract reflects the value of one currency expressed in terms of a second currency. Whilst AxiTrader's Products do not create any right or obligation to receive the purchased currency, the foreign exchange markets by convention adjust the value of an open position to reflect the different interest rates applicable to the underlying currencies.

If you have an open position in which you have taken the long/bought side in the high yielding currency then the value of the swap fee is typically in your favour to reflect the difference between the interest rates on the two currencies.

If you have an open position in which you have taken the long/bought position in the low yielding currency then the value of the swap fee is typically against you to reflect the difference between the interest rates on the two currencies.

In certain market conditions AxiTrader may require Clients to pay a Swap Fee where ordinarily they would have received a Swap Fee.

AxiTrader applies swaps daily at 24:00 MT4 Server time (5PM New York close). Triple daily swaps are applied on Wednesday and Thursday for the applicable currency pairs.

Swap Fees are applied in your Account Currency.

BANKING CHARGES

Deposits

In order to deposit funds, please login to your AxiTrader client portal.

All funds must be remitted from a card or bank account in the name of the AxiTrader account holder.

AxiTrader reserves the right to return funds if not received from a bank account in the same name as the AxiTrader account.

Receipts	Domestic	International
Electronic Funds Transfer	Nil	n/a
B-Pay® (AUD)	Nil	n/a
Telegraphic transfer	n/a	A$25.00
Credit card	0.9%	3.20%
Neteller	3.89%	3.89%
Skrill	n/a	2.89%

Please be advised that your credit card provider may view payments made to Axitrader as a cash advance and that they may bill you accordingly.

Withdrawals

On processing a withdrawal request AxiTrader may require additional information to prove that the beneficiary account is under your name as third-party remittances are not permitted.

All withdrawals are subject to a positive Account Ledger Balance and Free Equity.

All withdrawal requests are processed Monday to Friday between 9am and 3pm Sydney time.

All requests received outside of these hours will be processed on the next business day.

Withdrawals	Domestic	International
Electronic Funds Transfer	A$1.50	A$25.00
NeTeller	n/a	2.2% +$15

Please be aware that your bank may charge you a receiving fee for any international payment, Axitrader is not liable for this fee and this will be incurred by you.

Please note that AxiTrader cannot guarantee same day value for receipt of funds. Processing times are subject to the receiving bank processes. International Transfers may take between 2 – 5 days to be received.

Note: For all International bank transfers Axitrader will require proof of identity and proof of source of funds before processing.

The corresponding bank account must be in the same name as the AxiTrader Account.

Cards

All Credit card refunds will be paid to the original depositing card. In the event of an overpayment then the excess amounts will need to be paid to a bank account in the name of the client.

All Debit/Credit card refunds will take between 3 – 20 business days from the date of processing to appear on your credit card statement.

Bank Transfers

Processing times vary and are beyond AxiTrader's control. Receipt of funds may take up to 5 business days.

Administrative Charges

Duplicated statements	A$4.00 per statement
Telephone Transcripts	Upon application
Audit certificates	Upon application
Debt collection	First call AUD25.00
	Second call AUD50.00
	Referral to agency AUD150.00

Contract Specifications

Times: Market Hours below are MT4 Server Time and are correct at the date of publication.

Server Time is set at GMT+2 when New York is observing Eastern Standard Time and is changed to GMT+3 when New York is observing Daylight Savings Time.

Contract Specifications, Spreads & Margins: References in the tables below are correct at the time of publication. All Specifications, Spreads & Margins published in the MT4 Trading platform supersede the Product Schedule. Spreads here are indicative and actual spreads will reflect conditions in the underlying instrument.

Margin FX Contracts

Trading Hours: Market Opens Monday 00:00 and Closes Friday 24:00 MT4 Server Time.

Contract Size:

Contract	Notional Value (Base Currency)	Tick Value (Term Currency)	Min Trade Size (Lots)	Max Trade Size (Lots)
Micro	1,000	0.10 x No of Contracts	0.01	50
Mini	10,000	1.00 x No of Contracts	0.01	50
Standard	100,000	10.00 x No of Contracts	0.01	50
NOK/SEK Contract	500,000	50.00 x No of Contracts	0.01	20

Margin Requirements

Margin Requirements are correct as at the published date and are subject to change in accordance with the Client Agreement.

AxiTrader shall always endeavor to provide notice of variations to margin requirements but please be aware that in some circumstances, such as an unanticipated market event, advance notice may not be possible.

Margin Requirement	Currency Pairs	Calculation Margin Percentage x Number of Contracts X Notional Value of Contract
3%	EURCZK, USDCZK, USDTHB	**Example:** EUR/USD Quotation: 1.2800/01 Buying 5 Micro Contracts @ 1.2801 Margin Requirement = 1% x (5 Contracts x €1, 000) = €50.00
2%	AUDSGD, CADSGD CHFSEK, CHFSGD EURHKD, EURHUF, EURNOK, EURPLN, EURRON EURSEK, EURSGD, EURTRY GBPNOK, GBPSEK, GBPSGD, GBPTRY MXNJPY NOKJPY, NOKSEK SGDJPY TRYJPY USDCNH, USDHKD, USDHUF, USDILS, USDMXN, USDNOK, USDPLN, USDRON USDSEK, USDSGD, USDTRY	
1%	All Others	

Bullion, Metals & Commodities

Bullion, Platinum and Palladium are available in Micro and Mini Contracts.

Instrument	Code	Standard Contract	Tick Value (USD)	Spread	Min Trade Size	Max Trade Size	Trading Hours		Break
							Open Monday	Close Friday	
Crude Oil	WTI	1,000 barrels	10.00	0.05	0.01	10	01:00	24:00	00:15 – 01:00
Gold	XAUUSD	100 ounces	1.00	0.5	0.01	10	01:00	23:00	00:00 – 01:00
Silver	XAGUSD	5,000 ounces	25.00	0.06	0.01	10	01:00	23:00	00:00 – 01:00
Platinum	XPTUSD	100 ounces	1.00	Variable	0.01	10	01:00	23:00	00:00 – 01:00
Palladium	XPDUSD	100 ounce	1.00	Variable	0.01	10	01:00	23:00	00:00 – 01:00

Index CFD Contracts

Instrument	Code	Contract Value	Margin	Tick	Min Trade Size	Max Trade Size	Trading Hours		Break
							Open Monday	Close Friday	
France 40 Index	CAC40.FS	€10 x Index	1%	0.5	0.2	5	09:00	23:00	23:00 - 09:00
German 30	DAX30.FS	€25 x Index	1%	0.5	0.1	2	09:00	23:00	20:00 - 09:00
UK 100 FTSE	FT100.FS	£10 x Index	1%	0.5	0.2	5	10:00	23:00	23:00 - 10:00
US S&P500	S&P.FS	$50 x Index	1%	0.25	0.1	10	01:00	24:00	00:15 - 01:00
DOW 30	DJ30.FS	$10 x Index	1%	1	0.1	10	01:00	24:00	00:15 - 01:00
ASX S&P200	SPI200.FS	A$25 x Index	1%	1	0.1	2	02:50	24:00	00:00 - 02:50 09:30 - 10:10
JAPAN 225	JP225.FS	¥500 x Index	1%	5	0.2	10	02:45	21:00	09:30 – 10:15
Hang Seng	HIS.FS	HKD50 x Index	1%	1	0.1	2	04:15	18:00	07:00 – 08:00 11:15 – 12:00

Margin Requirements – Hedged Transactions

Hedged Transaction Margin Requirements are 50% of the standard initial margins.

When holding open bought and sold transactions in the same instrument positions will be charged half the margin requirement.