Product Disclosure Statement

Maxi EFX Global AU Pty Ltd ("Europefx")

ACN 625 283 785

is a Corporate Authorised Representative of

Union Standard International Group Pty Ltd

ACN 117 658 349

AFSL 302792

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1. Our Contact Details

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Corporate Authorized Representative number: 001264315

Australian Financial Services License number 302792

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2. Key information

This Product Disclosure Statement (PDS) is dated 26 October 2018 and has been prepared for Maxi EFX Global AU Pty Ltd ("EUROPEFX", "we", "us", "our" or "ours" as appropriate) to help you decide whether dealing in Margin Foreign Exchange (Margin FX), Contracts for Differences (CFDs), and any other margin trading products offered by us is a suitable investment for you in light of your financial objectives, situation or needs. We recommend you obtain independent and professional financial and taxation advice concerning this PDS before you apply to open an account with us. Please note that this document has not been prepared to take into consideration your current financial needs or objectives. The information contained in this PDS does not constitute a recommendation, advice or opinion, and does not take into account your individual objectives, financial situation, needs or circumstances – it is general information only.

EUROPEFX is a Corporate Authorized Representative (Authorized Representative) number 001264315 of Union Standard International Group Pty Ltd (USG) who holds an Australian Financial Services License (AFSL) No. 302792. The distribution of this PDS by EUROPEFX and its representatives has been approved by USG and EUROPEFX is responsible, for the financial services that it provide to you.

EUROPEFX is authorized and is also responsible for the content and distribution of this PDS.
When trading with us, you are dealing with USG as principal. Any transactions carried out on the Europefx trading platforms or by any other means are received and processed by USG.

Union Standard International Group (***USG***) ACN 117 658 349 AFSL 302792 is the issuer of the products described in this Product Disclosure Statement (PDS). Its contact details are as follows:

Address: G 3 135 Macquarie Street SYDNEY NSW 2000

Website: www.usgfx.com

Phone: 1300 822 355

This PDS explains key information you need to know about the products we can offer you. It is designed to:
provide you with the information you need to determine whether the products we offer are appropriate for you needs;

- explain the terms and conditions, rights and obligations associated with our products; and
- help you to compare products.

Warning: Trading in margin contracts (including CFDs) involves the potential for profit as well as the risk of loss which may not exceed the amount of your initial investment and is not suitable for all investors. Movements in the price of the margin contract's underlying asset (e.g. foreign exchange rates or commodity prices) are influenced by a variety of unpredictable factors of global origin. Violent movements in the price of the underlying asset may occur in the market as a result of which you may be unable to settle adverse trades. We are unable to guarantee a maximum loss that you may suffer from your trading.

ASIC is the government regulator that issued USG license and that monitors financial markets in Australia. It has set minimum benchmark standards that it expects businesses like us to comply with. We have set out our compliance with these benchmarks throughout this PDS.

All transactions that you enter into are subject to our "Terms of Business". Our Terms of Business contain terms and conditions that govern our relationship with you. You can obtain a free copy of the document by contacting us using the details at the start of this PDS. They are also attached to the back of this PDS.

3. What are we authorized to do?

We are authorized to give you general financial product advice in relation to derivatives and foreign exchange contracts. We are also authorized to deal in relation to those same products. We may provide you with advice which is general in nature only. Whenever we give general advice (eg. through our website, or in this PDS), we don't take into account your financial situation, personal objectives or needs. Before using the products referred to in this PDS you should read it carefully, and then consider your objectives, financial situation and needs and take all reasonable steps to fully understand the possible outcomes of trades and strategies that can be employed using our trading platforms. We recommend you seek independent financial advice to ensure that a particular product is suited to your financial situation and requirements. We are also authorized to "make a market" for foreign exchange and derivatives contracts. This allows us to quote market prices to you, including buy and sell prices.

We offer margin trading services via our trading platform. There are two broad types of products that you can trade with us: Margin Foreign Exchange (FX); and CFDs. Those two types of products are explained in more detail below.

4. Margin FX Contracts

4.1. Margin FX trading contracts are agreements between you and USG which allow you to make a gain or loss, depending on the movement of underlying currencies. The Contract derives its value from underlying currencies (usually referred to as a ***currency pair***) which is never delivered to you, and you do not have a legal right to, or ownership of such underlying currencies. Rather, your rights are attached to the contract itself. The money you will receive will depend on whether the currency you choose moves in your favor. If it does, then you will make a gain and your account will be credited. If it does not, then you will make a loss and your account will be debited. The contracts only require a deposit which is much smaller than the contract size (this is why the contract is "margined" or "leveraged").

This is how our Margin FX Trading service works:

Step 1: First, you must set up a trading account with us.

ASIC Benchmark – Client Qualification
Trading in CFDs is not suitable for many investors because of the significant risks involved. Because of this, we include minimum qualification criteria in our account opening form, which prospective clients like you must satisfy before we may open an account for you. We look at factors including your understanding of the products listed in this PDS, income and your previous experience before agreeing to open an account for you. If you do not satisfy the qualification criteria then you are not able to open an account with us.

For any client that signs up with EUROPEFX, EUROPEFX has the right to refuse account openings, limit the amount of deposits, or limit the maximum lot of a single transaction.

We also assess wholesale client or retail client status from time to time. If you satisfy the criteria to be classified as a wholesale client, we may classify you as such. We are under no obligation to inform you if we classify you as a wholesale client.

Step 2: You then need to deposit an Initial Margin of a Base Currency into your newly established EUROPEFX account before you start trading. You will be required to deposit an Initial Margin which is a percentage of the notional contract amount (typically between 0.5% and 1%). Our online platform will tell you what amount you need to deposit. Because our platform typically requires trades to be placed in USD, you may need to convert your Australian dollars or other currencies into the required foreign currency through your bank and deposit the money into your Europefx trading account. The bank will charge you for this service. Alternatively, EUROPEFX may convert your AUD funds by first quoting you a spot price pursuant to its Terms of Business. If you choose to accept the quoted prices, then the transfer will usually take place immediately, upon receipt of your cleared funds. The new currency will be delivered to your EUROPEFX account and you will be able to see your balance by logging on to the online platform.

Example

We may request Bill to deposit USD1,000 for a USD contract with a notional amount of USD100,000. In this example, USD1,000 is Bill's Initial Margin.

ASIC Benchmark – Opening Collateral

USG and hence EUROPEFX does not meet this benchmark because it accepts credit card payments for more than $1,000 as initial funding in order to provide flexible payment options to clients. ASIC's benchmark suggests that a limit of $1,000 be accepted for opening payments made by credit card. Further information can be found in section 6.3 of the Terms of Business.

We do not accept physical cash. Please be aware that using a credit card to fund your account may pose the risk of double leverage from the combined effect of utilizing a credit facility to fund a leveraged trading account. A fee or charge may apply for certain payment types and further information about these can be found on our website at www.europefx.com.au

Customers may deposit funds through electronic or telegraphic transfer, by cheque or by credit card. Unless agreed otherwise by us, payments will be required in U.S. dollars. All funds must be cleared funds in our designated segregated bank account that is operated as a segregated trust account before they will be counted towards the balance on your account.

Customers should note that, other than in highly exceptional circumstances, we will only accept payments into an account from the account holder and not from any third party.

Step 3: You are now ready to trade. When you log in to the EUROPEFX online platform, you will see prices which reflect different currencies. Currencies are traded in pairs.

Example

An example of a currency pair is EUR/USD. EUR/USD 1.24656 means that one euro is exchanged for 1.24656 US dollars. The currency on the left of a pair is the Base Currency.

You can buy or sell a Margin FX Contract. If you buy or sell as your first transaction, you are opening your position. When you buy, you buy at the “offer” price, and when you sell, you sell at the “bid” price.

Example

If the EUR/USD currency pair is quoted to Kerry at 1.24656/ 1.24674, then this is showing the bid/offer price. To buy (offer), Kerry would pay 1.24674 x contract size. To sell (bid), Kerry would receive 1.24656 x contract size. The difference between the two prices is 0.00018 which, in this example, is the “spread”. The spread is not generally taken in to account in the examples provided in this PDS. It should be noted that it is an element of trading costs. Price fluctuations between when a positon is opened and when it is closed are generally ignored for the purposes of the examples below.

Each contract’s size can be any amount equal to or greater than 1,000 of a particular trading currency.

Remember: what you are actually buying is a contract – not the currency itself. In the event that our online trading platform is unable to process trades, you can trade with us over the phone where our dealer will provide you with the Spot Rate of exchange.

Step 4: You then choose when to sell or buy in order to close your position. You close your position by taking an opposite position to what you did under Step 3 above, with the intention of making a profit when the currencies move in the intended direction.

Step 5: The profit or loss resulting from the trade will be credited or debited to your account. EUROPEFX has trading rules (including “Forced Liquidation” which is explained at section 4.2 of this PDS, and an Initial Margin requirement which is explained above) to help you limit any losses.

All of your trades on our trading platforms are cash settled upon the closing of the position(s). This means that the realized profit (or loss) will be credited to (or debited from) your account upon the closure your position. There is no delivery of the underlying assets.

Example

Bill thinks that the EUR will appreciate against the USD in the near future. He sees that the prices quoted on the EUR/USD currency pair by USG is 1.24656/ 1.24674. The “offer” price is the buy price, so he buys a contract of EUR/USD, at 100,000. He wants to sell it later at a higher price.

Opening the position	
Buy 100,000 EUR/USD at offer price:	1 x 100,000 x 1.24674= $124,674 USD (contract size)
The contract is leveraged on a 1:200 ratio. Margin requirement	124,674 x 0.005 = $623.37 USD (Margin requirement)
Rollover Interest	
When a position is held open overnight, you may be paid or debited interest. In this example, because Bill is long EUR, he will be paid interest, the swap rate is 1.81pips (only an example).	Buy 1 lot of EUR/USD and hold a position overnight, the rollover interest rate is 1 lot x 1.81 pips x 1 day = $1.81 USD.
Closing the position	
The next day the price of EUR/USD has appreciated by 100 pips to 1.25656 (bid) / 1.25674 (offer). The trade has moved in Bill’s favour and he decides to take his profit and close the position by selling at the bid price.	1 x 1.25656 x 100,000 = $125,656 USD
His gross profit is the difference between the opening position and the closing trade.	125,656 - 124,674 = $982.00 USD

His net profit is the gross profit less the costs.	982 +1.81 = $983.81 USD

Summary: In the above example, Bill had to have free margin of $623.37 to cover his margin requirement to execute this trade, and he has made a total gain of $983.81**. In the example above, if the EUR had dropped by 100 points instead of increasing, Bill would have made a loss of $1,019.81.**

Note: More detailed explanations of the costs involved with our transactions are set out under the heading "The costs in using products covered in this PDS" below. Rates and prices are for illustrative purposes only.

4.2 Forced Liquidation

The Margin Level in your account represents the level of equity held in your account divided by the margin required by your trade(s). It is expressed as a percentage. For example, if you have equity in your account of $1,000 and a trade which requires a margin of $500, your Margin Level is 200%. If you have equity in your account of $1,000 and a trade which requires a margin of $1,001, your Margin Level is 99.9%.

If the Margin Level in your account drops below a predetermined level set by EUROPEFX/USG (e.g. Lower than 25%) or if EUROPEFX/USG exercise our discretion, then we are entitled to close out your position at the prevailing market rate without notice to you. We could do this in order to minimize trading risk and deduct the resulting realized loss from your remaining funds.

Example

Bill has made an initial deposit of USD 2,000. He thinks that the EUR will depreciate against the USD in the near future. He sees that the price on the EUR/USD currency pair quoted by USG is 1.24656 / 1.24674. The "bid" price is the sell price, so he sells a contract of EUR/USD, at 100,000. He wants to buy it later at a lower price, in order to close his position.

Account Initial Deposit	Initial deposit=USD 2,000
Opening the position	
Sell 200,000 (2 Lots) EUR/USD at bid price:	2 x 100,000 x 1.24656 = $249,312 USD
The contract is leveraged on a 1:200 ratio. Margin requirement	$249,312 x 0.005 = $1246.56 USD (Margin requirement)
Margin Level	Equity= $2,000 Margin= $1246.56 USD

	Free margin: $2,000- $1246.56 = $753.44 USD Margin Level $2,000 / $1246.56 = 160.44%
Rollover Interest	
When a position is held open overnight, you are paid or debited interest. In this example, because Bill is short EUR, he is required to pay interest, the swap rate is -2.46 pips.	2 lot x -2.46 pips x 1 day = $-4.92 USD
Closing the position	
The next day the price of EUR/USD has increased swiftly by 84.2 pips which is against what Bill had expected to 1.25498 (bid) / 1.25516 (offer). The trade has moved against Bill and USG forces the closing of his position to protect him from further loss.	At this time, there are -84.2 pips of losses in Bill's account. 1 pip of EUR/USD is $10 USD on a standard lot. Therefore, losses equal $1684. The equity of Bill's account is $2,000 - $4.92 - $1684 = $311.08. The Margin Level, $311.08/ $1246.56 = 24.95%, is lower than 25%. The Forced Liquidation is triggered.
His total loss is the gross loss plus the costs. The spread was built in to the price.	Trading Loss $249,312 -$250,996= $ -1684 Interest paid= -4.92 Total Loss $-1684 -4.92 = $-1688.92

Note: More detailed explanations of the costs involved with our transactions are set out under the heading "The costs in using products covered in this PDS" below. Rates and prices are for illustrative purposes only.

In addition to Forced Liquidation, we may Margin Call your position while a trade is open. See section 6 below titled "Margin Calls" for more detail.

5. CFDs

A Contract for Difference ("CFD") is a leveraged financial instrument that changes in value by reference to fluctuations in the price of an underlying thing such as the price of gold, silver or an index (such as the S&P500/UK 100 Index). We refer to those underlying things as "instruments".

When trading CFDs, you and USG agree to exchange the difference in value of the CFD between when the CFD is opened and when it is closed. You will either be entitled to be paid an amount of money (if the value of the CFD has moved in your favor) or will be required to pay an amount of money (if the value of the CFD has moved against you).

You can keep a CFD trade open for as long as you are able to meet your margin requirements (including a minimum Margin Level). CFD transactions are closed by you taking an offsetting, opposite position, or by us/USG under our Forced Liquidation procedures where applicable.

CFD trading operates in the same manner as foreign exchange trading, except the underlying instruments are different, and include precious metals: for example, Loco London Gold (LLG) or Loco London Silver (LLS), both of which have prices quoted in US currency; and indices, such as the S&P500 /UK 100 Index. The prices of indices are quoted in local currency.

When using our services, you can only trade on the quoted Spot Rate for the relevant CFD contracts. The examples below show a profit making gold and indices CFD trade, and a losing Gold and indices CFD trade. Although there are no examples showing CFD trades relating to other underlying instruments, the mechanics are the same, except the quoted prices relate to the prices of the other underlying instruments, not gold.

In the same way as described in section 4, above, we do not deliver the physical underlying assets to you, and you have no legal right to them. Rather, settlement is made by cash based on the difference between the buy and sell rates of the contracts.

Gold CFDs

Example

Kerry believes that the price of gold is undervalued and she decides to enter into a CFD in respect of gold in the expectation that the gold price will rise. Our online platform is showing the price of gold (XAU/USD) as being USD 1,621.85 (bid) / 1,622.35 (offer). Our standard lot size is 100 ounces. Kerry buys 1 lot.

Opening the position	
Kerry "buys" a CFD in respect of 100 ounces of gold at the offer price:	1 x 1,622.35 x 100 = $162,235 USD
The contract is leveraged on a 1:200 ratio. Margin requirement	162,235 x 0.005 = $811.18 USD (Margin requirement)
Rollover Interest	
When a position is held open overnight, you are paid or debited interest. In this example, because Kerry is long Gold, she is required to pay interest, the swap rate is -0.79 pips.	1 lot x -0.79 x 1 day = $ -0.79 USD
Closing the position	
The next day the price of Gold has increased	1 x 1,631.85 x 100 = $163,185

by $10 USD to 1,631.85(bid) / 1,632.35 (offer). The trade has moved in Kerry's favour and she decides to close her position.	
Her total gross gain is the sell price less the buy price.	$163,185 - $162,235 = $950.00 USD
Her total net gain is the gross gain less the costs.	$950 - $0.79 = $949.21 USD

Summary: In the above example, Kerry had to have free margin of more than $811.18 to cover her Margin requirement to execute this trade, and made a profit of $949.21. **If the price had not increased by USD 10 dollars but had instead dropped by 10 dollars she would have sustained a loss of $1,050.97.**

Note: More detailed explanations of the costs involved in our transactions are set out under the heading "The costs in using products covered in this PDS" below. Rates and prices are for illustrative purposes only.

Indices CFDs

Example

Bill sees that the prices of NAQ100 indices are quoted at $2642/$2643 by USG. Bill thinks that they are going to rise so Bill decides to 'buy' one lot, which is 10 NAQ100 index contracts as a CFD at $2643, the offer price.

Opening the position	
Bill "buys" a CFD in respect of 10 NAQ100 at the offer price:	1 x 2643 x 10 = $26,430 USD
The contract is leveraged on a 1:200 ratio. Margin Requirement	26,430 x 0.005 = $132.15 USD
Rollover Interest	Please refer to other examples.
Closing the position	
The next day the price of NAQ100 has increased 10 USD to 2652/2653. The trade has moved in Bill's favour and he decides to close his position.	1 x 2652 x 10 = $26,520
His total gross gain is the sell price less the buy price.	$26,520 - $26,430 = $80.00 USD

Summary:

In the above example, Bill had to have an initial deposit of US$132.15 to cover his Margin requirement to execute this trade, and made a profit of $90.00**. In this example, if the price had not increased by 10 pips but had instead dropped by 10 pips, Bill would have sustained a loss of $110.00**

Note: More detailed explanations of the costs involved with our transactions are set out under the heading “The costs in using products covered in this PDS” below. Rates and prices are for illustrative purposes only.

Forced Liquidation requirements

If the Margin Level in your account drops below a predetermined level set by EUROPEFX/USG or if EUROPEFX/USG exercises its absolute discretion, then EUROPEFX/ USG is entitled to close out your CFD position at the prevailing market rate without notice to you. EUROPEFX/ USG could do this in order to minimize trading risk and deduct the resulting realized loss from your remaining funds.

Refer to the example of Forced Liquidation in the section 3.2 of this PDS titled “Forced Liquidation”. See also section 14 of this PDS titled “How much money do you need to trade”.

In addition to Forced Liquidation, we may Margin Call your position while a trade is open. See section 6 below titled “Margin Calls” for more detail.

6. Margin Calls and Forced Liquidation

ASIC Benchmark – Margin Calls

This section sets out our policy on Margin Calls and when we force the liquidation of an Open Position.

When the Margin Level for a Margin FX or CFD transaction is lower than 50%, the Margin Call is triggered. The trading platform will show a Margin Call alert. When the Margin Level falls below 25%, open positions will be liquidated (Forced Liquidation).

6.1 Margin FX example

The following example involves Bill, who has deposited US$1,000 into his EUROPEFX trading account. He anticipates that the EUR will depreciate against the USD in the near future. After the first day, his position deteriorates and a Margin Call is triggered. The following day, his position deteriorates further and his position is forcedly liquidated.

Account Initial Deposit	Initial Deposit=$1,000USD

Bill deposits $1,000 USD with USG.	
Opening the position	
He sells a contract of EUR/USD, at 100,000.	1 x 100,000 x 1.24656 = $124,656 USD
The contract is leveraged on a 1:200 ratio. Margin requirement	124,656 x 0.005 = $623.28 USD (Margin requirement)
The Margin Level is the equity divided by the margin.	Equity: $1,000 Margin = $623.28 USD Margin Level: $1,000/$623.268 = 157.55%
Rollover Interest	
Bill holds his position overnight. In this example, the swap (short position) for EUR/USD is 2.46 pips. This is charged against the funds that Bill has deposited with us.	1 lot x -2.46 pips x 1 day = $-2.46 USD
The next day: Margin Call	
The next day, the price of EUR/USD has increased by 69.3 points to 1.25349 (bid) / 1.25367 (offer). The trade has moved against Bill, and the Margin Level is lower than 50%. At this time the trading platform will show a Margin Call alert.	Equity $1000 - $2.46 - (0.00693 x 100,000) = $997.54 - $693 = $304.54 USD Margin remains $623.28 USD Margin Level $304.54 / $623.28 = 48.86% (lower than 50%)
Rollover Interest	
Bill has not responded to the Margin Call. The position is held open overnight. The swap (short position) for EUR/USD remains at 2.46 pips, for which Bill is charged.	1 lot x -2.46 pips x 1 day = $-2.46 USD
The third day: Forced Liquidation	
The following day, the price of EUR/USD has increased by a further 15.3 points to 1.25502 (bid) / 1.25520 (offer). EUROPEFX/USG forces the closing of his position to protect him from further loss.	Equity 304.54- 2.46 - (0.00153 x 100,000) = 302.08 – 153 = $149.08USD Margin remains $623.28 Margin Level = $149.08/ $623.28 = 23.91% (below 25%, so Forced Liquidation is triggered)
Bill’s total loss is the gross loss plus the costs.	Trading Loss

	= 124,656 – 125,502 = $-846 USD Interest Loss = -2.46 x 2 = $-4.92 USD Total Loss = $-846 - $4.92 = $-850.92 USD

Summary: In the above example, Bill had to have free margin of more than $623.28 to cover his Margin requirement to maintain this trade. A forced liquidation of Bill's position took place because a Margin Call was triggered and Bill did not respond by depositing the necessary amount of funds into his account with EUROPEFX. He has made a total loss of $850.92USD.

Note: More detailed explanations of the costs involved with our transactions are set out under the heading "The costs in using products covered in this PDS" below. Rates and prices are for illustrative purposes only.

6.2 CFDs example

Bill has deposited $1,000 USD into his EUROPEFX trading account. He thinks that the US30 index will depreciate in the near future. He sees that the prices quoted on the US30 index is 12460/12466. The "bid" price is the sell price, so he sells a contract of US30 index, at our standard lot size, which is 10 contracts. He wants to buy it later at a lower price, in order to close his position.

Account Initial Deposit	Initial Deposit=$1,000USD
Opening the position	
Sell 1 lot US 30 index at bid price:	1 x 124,60 x 10= $186900 USD
The contract is leveraged on a 1:200 ratio. Margin requirement	186,900 x 0.005 = $934.5 USD (Margin requirement)
Margin Calls	
When the price of US30 index has increased swiftly by 54 pips to 12514 (bid) / 12520 (offer). The trade has moved against Bill, and the Margin Level is lower than 50%. At this time the trading platform will shows Margin Call alert	The equity of bill's account is US$1,000 - 540 (floating loss)=$460.00 Margin Level = US$460/934.5=49.22%
Closing the position	
When the price of US30 has increased swiftly by 23 points to 12537 (bid) / 12543 (offer). The trade has moved against Bill.	Bill has lost 77 pips. 1 pip of US 30 is $10 USD, meaning that he has lost $770. Therefore, the equity of Bill's account is $1,000 - $- $770 =

EUROPEFX/USG forces the closing of his position to protect him from further loss.	$230 USD. Margin Level $230 / $934.5 = 24.61%. Because this is lower than 25%, the Forced Liquidation is triggered.
Bill's total loss is the gross loss plus the costs. Overnight financing is ignored for the purpose of this example.	Trading Loss= (12460– 12537) x 10=$770 USD

Summary: In the above example, Bill had to have available equity of more than $623 to cover his Margin requirement to maintain this trade. A forced liquidation of Bill's position because a Margin Call was triggered and Bill did not respond by depositing the necessary amount of funds into his account with EUROPEFX, the loss is increase and lead to Margin Level lower than 25%, He has made a total loss of $770 USD.

Note: More detailed explanations of the costs involved with our transactions are set out under the heading "The costs in using products covered in this PDS" below. Rates and prices are for illustrative purposes only.

Example

Kerry has deposited $1,000 USD into her EUROPEFX trading account. She believes that the price of gold is undervalued and she decides to enter into a CFD in respect of gold in the expectation that the gold price will rise. Our Online Platform is showing the price of gold (XAU/USD) as being USD 1,621.85 (bid) / 1,622.35 (offer). Our standard lot size is 100 ounces. Kerry buys 1 lot.

Account Initial Deposit	Initial Deposit=$1,000USD
Opening the position	
Kerry buys a CFD in respect of 100 ounces of gold at the offer price:	1 x 1,622.35 x 100 = $162,235 USD
The contract is leveraged on a 1:200 ratio. Margin requirement	162,235 x 0.005 = $811.18 USD (Margin requirement)
Margin Calls	
The margin is $811.18USD. The Margin Level is the equity divided by the margin.	Equity = $1,000 Margin = $811.18 USD Margin Level = $1,000 / $811.18 = 123.20
Closing the position	
When the price of gold has dropped by 799 pips to 1629.84 (bid)/ 1630.34 (offer.) The trade has moved against Kerry. EUROPEFX/	Therefore, the equity of Kerry's account is $1,000 - $799= $201 USD. The Margin Level $201/811.18 = 24.77% is lower than 25%. The

USG forces the closing of her position at 1630.34 to protect her from further loss.	Forced Liquidation is triggered.
Kerry's total loss is the gross loss plus the costs.	Trading Loss = (1630.34 -1622.35) x 100 = $799 USD

Summary:
In the above example, Kerry required available equity of $811.18 to cover her Margin requirement to maintain this trade. A forced liquidation of Kerry's position took place because a Margin Call was triggered and Kerry did not respond by depositing the necessary amount of funds into her account with EUROPEFX. In the above example, Kerry has made a total loss of $799 USD.
Note: More detailed explanations of the costs involved with our transactions are set out under the heading "The costs in using products covered in this PDS" below. Rates and prices are for illustrative purposes only.

7. Managing Risks by Using Stop Loss and Take Profit

As noted on the first page of this PDS, trading in Margin FX and CFDs involves the risk of losing substantial sums of money.

We offer features on our trading platforms that help you take profit and manage trading risks. The features include:

- a stop order
- a trailing stop
- a take-profit order; and
- a limit order

EUROPEFX/USG may, at our absolute discretion, accept an Order from you. An Order is an offer to open or close a Transaction in certain circumstances. Examples of such Orders are:

(a) **A Stop Order:** A Stop Order is generally placed to provide some risk protection, for example in the event of your transaction moving into loss, and can be used to close a transaction. Each Stop Order has a specific stop level, set by you (but subject to our agreement). Your Stop Order will be triggered if the bid price (in the case of an Order to sell) or the offer price (in the case of an Order to buy) moves against you to a point that is at or beyond the level specified by you. Once a Stop Order is triggered we will, in accordance with Term 7.2 and subject to Term 7.3, close a Transaction at a level that is, where possible, the same or similar to your stop level.

(b) **A Trailing Stop:** A Trailing Stop is similar to a Stop Order. A trailing Stop allows you to set a floating stop level that automatically moves when our quote moves in your favor. A Trailing Stop is triggered and executed in the same way as a Stop Order. If you wish to use Trailing Stops, you must first activate this function via our electronic trading Service. By choosing to activate our Trailing Stop function, you acknowledge that Trailing Stops are an automated tool that must be used with caution and supervision by you.

You can set up a Trailing Stop on the MT4 platform. Please refer to the instructions provided on the MT4 platform itself. EUROPEFX/USG do not guarantee to operate our Trailing stop system on a continuous basis so there may be instances in which your stop level might not in fact move with our current quote for the relevant Instrument.

(c) **A Take Profit Order:** A Take Profit Order is generally placed to provide some profit protection, for example in the event of your Transaction moving into profit, and can be used to close a transaction. Each Take Profit Order has a specific take profit level, set by you (but subject to our agreement). Your Take Profit Order will be triggered if the bid price (in the case of an Order to sell) or the offer price (in the case of an Order to buy) moves in your favor to a point that is at or beyond the level specified by you. Once a Take Profit Order is triggered we will close a transaction at a level that is, where possible, the same or similar to your take profit level.

(d) **A Limit Order**: A Limit Order can be used to either open or close a transaction. Each Limit Order has a specified limit, set by you. Your Limit Order will be triggered if the bid price (in the case of an Order to sell) or the offer price (in the case of an order to buy) is at your specified limit.

If your Order or Stop Order is triggered (as set out above) EUROPEFX/USG will seek to open/close the transaction to which your Order relates. In the case of a Stop Order, we will seek to close a transaction at a level that is the same (but may be worse than) your stop level; and in the case of a Limit Order, we will seek to open/close a Transaction at a level that is the same or similar to your limit. You acknowledge and agree that the time and level at which Orders are executed will be determined by us, acting reasonably. In this regard we will seek to execute your Order within a reasonable time of your Order being triggered. Because there may be manual element to our processing of Orders and because it is possible for a single sudden event to trigger a large number of Orders, you acknowledge and agree that what constitutes a "reasonable time" may vary according to the size of your Order, the level of activity in the underlying market, and the number of Orders that have been triggered at the time your Order is triggered. EUROPEFX/ USG may allow a portion of an order to be executed at your requested price where there is insufficient liquidity at such a price to execute the entirety of your order.

8. Conversion of currency

Your trading account with EUROPEFX is normally denominated in a “Base Currency” which is in USD. In order to trade, you may need to convert existing funds into USD or another base currency that may be permitted by Europefx from time to time. For example, you can only buy or sell a Gold or Silver CFD with us using USD. If you deposit AUD into your account and USD is required, you will be required to convert it to USD before trading one of those CFD products.

You can use your own bank to convert your currency into USD, if you wish.

Alternatively, your funds may be converted on the trading platform by accepting the Spot Rate quoted to you pursuant to our usual terms and conditions which form part of this PDS and are attached below under the heading “Terms of Business”. You can also obtain a free copy of the Terms of Business by contacting us using the details at the start of this PDS. If you choose to accept the quoted prices, then the transaction will usually take place immediately, upon receipt of your cleared funds. The new currency will be cleared to your EUROPEFX account.

EUROPEFX/USG may also convert the realized trading profit or loss in your account into USD or another base currency at the closing price of the relevant currency.

9 Trading Facilities

We are able to provide foreign exchange and CFD trading facilities through our online trading platform. Dealers in the trading room will also accept orders in the event of the online trading platform being unable to take orders.

When you use our trading platform, you may “plug in” other third party applications. The use of those applications can carry significant risk (see section 11 of this PDS titled “Significant risks”). EUROPEFX and USG do not take responsibility and will not indemnify you from any loss incurred in connection with third party plugins that you choose to use, regardless of whether or not we know about them or approve them. Some third party plugins may incur extra fees for using them. They are explained in section 12 of this PDS titled “The costs in using products covered in this PDS”.

10 Significant benefits

The significant benefits of using our services are:

- **Hedging**

  You can place a leveraged foreign exchange trade to protect your exposure to the price movements in an underlying currency or bullion price.

> **Example:**
> If Bill is based in Australia but has an obligation to pay USD at some time in the future, and Bill is concerned that the Australian dollar will weaken, he could sell an AUD/USD position so that he will possibly make a gain to offset his other losses, in the event that the AUD weakens.

- **Speculation**
  In addition to using our trading facilities as a hedging tool, you may benefit by using the quoted underlying currency or instrument prices to speculate on changing price movements. Speculators seek to make a profit by attempting to predict market moves and buying or selling a contract that derives its value from the movement of an underlying currency or instrument for which they have no practical use. The detailed examples in this PDS illustrate trades where a client is entering into a speculative trade, based upon a belief that the market will move in a particular direction.

- **Broad access to the foreign exchange markets**
  When using our online trading platforms you gain access to and trade on, systems which are updated 24 hours a day, 5 days a week.

  EUROPEFX is open at 11pm on Sunday, London time and closed at 11pm on Friday, London time.

  If for some reason our systems are unavailable, you can contact us by telephone using the details at the top of this PDS.

- **Real time streaming quotes**
  Our online trading platforms provide real time quotes. You may check your accounts and positions in real time and you may enter into trades based on real-time information.

- **Control over your account and positions**
  When using our trading facilities you can place stop loss limits on your trades. This means that if the market moves against you EUROPEFX/USG will attempt to close out your position in accordance with your stop loss order. However, please refer to the risk disclosures below, which highlights the risk to you that in a volatile market EUROPEFX/USG may not be able to close out your position until after the stop loss limit is exceeded. If this occurs you may lose more than you anticipated.

11 Significant risks

There are a number of risks in trading Margin FX and CFDs. These risks may lead to unfavourable financial outcomes for you, including substantial financial losses. Monitoring of any risks associated with our trading facilities is your responsibility. You should seek independent legal, financial and taxation advice prior to commencing trading activities and should not use our services unless you fully understand the products, and the benefits and risks associated with them. Some of the risks associated with using our foreign exchange and CFDs include:

- **Unforeseen Circumstances**

  If we are unable to perform our obligations to you due to reasons beyond our control then we may suspend our obligations to you. For example, during periods of significant market disturbance it may be impractical or impossible to trade in relevant financial markets. We will inform you if any of these events occur.

- **Market volatility:**

  The markets of the underlying assets to which USG's products relate are subject to many influences which may result in rapid fluctuations. Because of this market volatility, there is no foreign exchange or CFD transaction or stop loss which is available via our Online Platform that can be considered "risk free".

  Given the potential levels of volatility in the markets for the underlying assets (including foreign exchange, precious metal, indices and so on), it is recommended that you closely monitor your transactions at all times. You can manage some of the downside risk by the use of stop loss orders. If you use a stop loss order your existing position will be closed out if its price reaches a level specified by you in advance. However, in a volatile market, there may be a substantial time lag between order placement and execution. This can mean that the entry or exit price may be significantly lower or higher than the price at which the sell (or buy) order (including a stop loss order) was placed. This is known as "gapping". Neither USG nor EUROPEFX guarantees that the stop loss order will be successful in limiting your downside risk, which may be greater than you initially anticipated. In other words, USG and EUROPEFX do not guarantee that stop loss orders will always be executed at the level you have specified.

- **Leverage risk**

  Trading Margin FX and CFDs involves a high degree of leverage. You can outlay a relatively small margin which secures a significantly larger exposure to an underlying currency or bullion. The use of products like this magnifies the size of your trade, so your potential gain and your potential loss is magnified. You should closely monitor all of your Open Positions. If the market moves against you and your initial Margin Deposit is diminished, EUROPEFX/USG may automatically close out your position by entering into an equal and opposite position once pre-set limits are triggered (refer to the example of Forced Liquidation). Any remaining balance will be returned to you.

- **Counterparty risk**

  When you are trading on your EUROPEFX account, USG as the product issuer is ultimately the counterparty to every transaction. You will have an exposure to EUROPEFX and USG in relation to each transaction. In all cases, you are reliant on EUROPEFX and USG's ability to meet our obligations to you under the terms of each transaction. This risk is sometimes described as counterparty risk.

  The products in this PDS are not protected by a licensed exchange, also known as a central counterparty. Instead, the products are called over-the-counter derivatives. This means that you contract directly with the product issuer, and you are subject to EUROPEFX and USG's credit risk.

  USG may choose to limit its exposure to our clients by entering into transactions with hedging counterparties as principal in the wholesale market.

  ASIC Benchmark – Counterparty Risk

  USG has a policy which includes carefully selecting hedging counterparties. It imposes strict criteria in selecting them, including but not limited to, their past financial performance, current financial standing, whether they have been licensed in the relevant countries in which they operate, and their records as licensees including any past incidents that may warrant further queries. In the event that USG's counterparty defaults on their obligation to USG which may result in our default on our obligation to you, you do not have any right to bring claims against that counterparty. We can provide a written hedging policy to clients and prospective clients upon request. You can request a copy of these statements via email. This policy is updated regularly.

  USG has a written policy to maintain adequate financial resources, which set out how it monitors compliance with our financial requirements, as well as how it conduct stress testing to ensure it hold sufficient liquid funds to withstand significant adverse market movements.

- **Systems Risks**

  We rely on technology to provide our trading facilities to you. A disruption to the facility may mean you are unable to trade when you want to. Alternatively, an existing transaction may be aborted as a result of a technology failure. An example of disruption includes the "crash" of the computer systems used to operate the online facility. We manage this risk by having state-of-the-art IT systems and backup measures.

- **Latency risk**
  Internet, connectivity delays and price feed errors sometimes create a situation where the prices displayed on our trading screen may not accurately reflect real time market rates.

- **Fees and charges**
  It is possible that you enter into a trade and the underlying currency or commodity moves in your intended direction, but you still end up with less than you started after closing your position. This can happen because of the combined effect of the spread between bid and offer prices, and the negative rollover interest which could apply on consecutive days that a contract is held open. Please refer to section 12 for further details on costs involved in trading on the products covered in this PDS.

- **Use and Access to our Trading Facilities**
  You are responsible for providing and maintaining the means by which you access our website and the applicable platforms. These may include, without limitation, a personal computer, modem and telephone or other access system available to you.

  While the internet is generally reliable, technical problems or other conditions may delay or prevent you from accessing our trading facilities. If you are unable to access the internet and thus, our online facility, it may mean you are unable to enter into asset transactions when desired and you may suffer a loss as a result.

- **Using third party plugins**
  Third party plugins can be risky. They are often called “expert advisers” or “mirror trading plugins”. They may enable your account to mirror trades made by third party asset managers. They may claim to exploit price latency across platforms or markets. They may promise exceptional returns. Our platforms may allow you to plug in third party applications to help you trade. Some charge you fees, and others do not. EUROPEFX and USG have no control over the quality or functions of these plugins and you may choose to use any of them at your own risk. Neither EUROPEFX nor USG accepts any responsibility for any issues, including direct, indirect or consequential losses you may incur as a result of your utilization of third party plugins.

  Key risks about third party plugins include, without limitation, the following:
  - You can lose control of your trades and suffer financial loss.
  - The software may stop working and you are stuck with Open Positions and you suffer financial loss.

- You may lose more money than your initial deposit.
- They may result in you being margin called (see section 6 of this PDS titled “Margin Calls”) and your positions may be subject to Forced liquidation.
- Some are offered by fraudulent or illegal / underground entities in remote parts of the world.
- Some create or are otherwise effected by price latency which may result in significant losses on your account due to inaccurate pricing.

If promoters of these plugins make promises that are too good to be true, then you should avoid them. **You should never provide your account user name or password to a third party – to do so would be a breach of the Terms of Business. You are wholly responsible for managing the risks (including the risk of loss) associated with using third party plugins.**

- **Suspension or trading halt of the underlying currency** or instrument
  Our products relate only to major currencies and CFDs, so the likelihood of these currencies and commodities being suspended or halted is remote.

ASIC Benchmark – Suspended or halted underlying assets
In the event of an underlying currency or commodity being suspended, EUROPEFX/USG has a discretion to re-price open positions, close out positions, or change the margin requirements on a position.

12 The costs in using products covered by this PDS

This section provides information on costs involved in trading with us. You can also find cost related information in the current FSG which is available on our website. You can download or obtain a free hard copy of the FSG by contacting us using the details at the start of this PDS.

- **Spreads**
  A spread represents the difference between the bid and offer prices quoted on the trading platforms. You buy at the higher price (the ask price) and you sell at the lower price (the bid price). Once you open a position, the market has to move in your favor for the amount of the spread in order for you to break even. Generally speaking the more liquid a FX currency pair/CFD, the narrower the spread.

- **Rollover**
  When you hold a position overnight, a debit or credit may accrue to your account as a result.

  Margin FX

  When you hold any open positions as at 11pm London time, you may be charged a fee or receive a benefit depending on the interest rate differential between the two currencies in the currency pair. The interest rate differential is calculated with reference to the cash rates for the relevant currencies. The charges/benefits are applied to the total notional value of your positions. It should be noted that rollover charges/benefits on positions held over from a Wednesday to Thursday are for three days to account for the weekend.

CFDs

When you hold any CFD contracts open overnight, you may incur a fee if you are holding a long position and you may receive a benefit if you are holding a short position. These fees/benefits are calculated with reference to the cash rates in the relevant countries and are applied to the total notional value of your positions. We may apply a spread to the interest rates used to calculate the fees and benefits.

- **Commissions, Exchanges Fees and Stamp Duties**

  You may be charged commissions when trading on the EUROPEFX platforms depending on the products you trade. If the relevant exchange or country in which the underlying asset is traded apply any exchange fees, stamp duties or any other fees, these costs may be passed on to you.

- **Currency Conversion**

  Most of the contracts quoted on the trading platforms are denominated in USD. If you wish to place a trade on a contract quoted in a different currency to the base currency of your EUROPEFX trading account, you may achieve this by converting the funds to the designated currency prior to depositing your funds into our Segregated Client Account (conversion charges may be payable to your bank). Alternatively, currency conversion can be done on the trading platforms if you accept the spot price quoted to you. A spread for the relevant currency pair applies.

- **Credit/debit Card Charges**

  You may be charged a fee as a percentage of the total transaction value when using a credit/debit card to fund your account. Such a fee is calculated with reference to the fee the merchant facility providers charge.

- **Administrative Charges**

  Your account statements can be accessed online through the trading platforms free of charge. Below are the charges if you wish to receive hard copies:

  - Had copy of duplicate statement (posted to you): AU$10.00 per statement;
  - Audit certificate: AU$20 per copy

- **Third Party Charges**

  We may permit certain third party plugins to be used in connection with our platforms. You may incur fees and charges in the course of using these plugins. For risks associated with using third party plugins please refer to section 11 above.

- **Interest on Client Money**
  EUROPEFX and/or USG are entitled to retain any interest accrued to the client funds held in the Segregated Client Accounts, and are not obligated to distribute any of such interest to you.

- **Staff Remuneration**
  EUROPEFX, USG, their directors and employees are remunerated by annual salary, commissions and discretional bonuses based on facts such as the overall performance of the business, the performance of the individual, and their level of adherence to company policies and procedures. EUROPEFX may receive commissions on the trades you make, with reference to the volume and other performance indicators.

- **Dormant Fee**
- If you shall not login and trade from your account for a period of three (3) months, your account shall become a dormant (“**Dormant Account**”). The Dormant Account shall be subject to a deduction of $50 (or the base currency of your Account) each month (the “**Dormant Fee**”). The Dormant Fee shall be deducted from your Account each month as set above until one following shall occur (A) you shall start trading again; (B) the Dormant Account shall reach a balance of zero (0).

13 How do the online trading platforms work?

See the heading “Margin FX Contracts” above for a detailed explanation and example of how our trading platform works. To make a trade using our online trading platforms:

- You must first register with us by filling out the registration form either provided to you at the same time as this PDS, or located on our website.
  A pre-condition to successful registration is an acknowledgement by you that you have read this PDS, the FSG and that you have read and agreed to be bound by the Terms of Business attached to this PDS. Another pre-condition is that you meet our client qualification criteria, which is explained in section 4、5 of this PDS in more detail. There may also be other terms and conditions that you will need to agree to, if you are outside of Australia. EUROPEFX is not obligated to open an account for any person.
- Once your account application has been approved, you will be able to login online to your user account using your username and password.
- First, you download MT4 software. Our MT4 tutorial can be found on our website.

- Then, you deposit funds. Please note that deposits should only be made from a source under the same name as that on your trading account.
- Once logged in, a number of windows will pop up in the platform. In order to place a trade, you first select a foreign exchange currency pair, a bullion price, an index or another instrument, if available, from the trade window. For example, you can choose the currency pair of EUR/USD. Once you have selected an instrument, you need to select the amount you wish to invest by buying/selling the intended number of contracts.
- Once you have chosen your currency pair/underlying asset, you determine, amongst other things, whether to buy or sell and the size of your trade.
- Once the trade has been executed, the particulars of that trade will be displayed to you via the trading platform. You may then generate all kinds of reports from our trading platform. However trading statements will only be available in full in the client area of the platform. You can transfer money into or out of your account, subject to our Terms of Business, which is set out at the end of this PDS.

14 How much money do you need to trade?

Before you can trade, you need to deposit with us an Initial Margin. If you have insufficient funds to cover the Initial Margin required for your requested order, your order will not be executed. Please also note that it is your responsibility to ensure that you have sufficient funds on your trading account to accommodate any potential adverse market movements at all times when you hold open positions, in order to minimize the risk of Forced Liquidation. Please refer to section 6 above for further details.

We may vary the Initial Margin requirements at our own discretion. The Initial Margin will vary depending on the type of trade you wish to enter into and the underlying asset the trade relates to.

- Initial Margin is typically 0.5% of the contract amount in the case of Margin FX. However, we will tell you what Initial Margin is required before you trade.

  Example: You need to deposit USD 500 for a contract with a notional value of USD/JPY is USD100,000.

- There is no specific Initial Margin for CFDs. We will tell you what Initial Margin is required before you trade.

  Example: Gold CFD may have a margin requirement of 0.5%. You need to deposit USD 881 for a lot of contract with a notional value of GOLD of USD 176,200.

15 How do we handle your money?

The funds in your account will be held in one or more designated segregated bank accounts operated as trust accounts (‘Designated Client Accounts) in accordance with Australian law.

ASIC Benchmark – Client Money

This section explains our client money policy, including how we deal with your money and when we make withdrawals from your account. It also mentions the counterparty risk associated with the use of your money.

By using our services, you relinquish the right to any interest on funds deposited in our Designated Client Accounts. Funds deposited by different clients are not separated from each other but are pooled together. The money is held on trust for you until you withdraw the money, use the money to place a trade, or otherwise provide us with a legal right to that money because of, for example, outstanding fees owed to us or in such other circumstances as referred to in the Terms of Business, attached to this PDS.

Example

If you close a position and incur a loss, your account balance will be debited upon your closing that position.

Example

If you hold a Margin FX position overnight (i.e. holding a position from 23:00 London time onwards), and you are charged rollover interest, then that money is deducted from your account balance.

. The Designated Client Accounts are used for EUROPEFX clients only. Funds from EUROPEFX clients are not pooled together with clients of USG or any of its other Authorized Representatives. However, it should be noted that in the event that EUROPEFX and/or USG becomes insolvent and an administrator is appointed, the administrator may decide to pool funds belonging to all clients together, whereby you become an unsecured creditor of EUROPEFX/USG.

To the extent permitted by law, we may immediately transfer any amount of your account balance to a related party (like our wholesale liquidity provider) once you open a Contract, and it will not be held in a designated Client Account. This may occur, for instance, if you are a wholesale client (other than a sophisticated investor). Since wholesale and retail client money may be comingled in the same designated client account, this may cause a deficit in the designated client account. This means your money would not be fully protected by the designated client account, and you would rank as an unsecured creditor if we, or our related entities or wholesale liquidity providers, were to become insolvent.

Accordingly, there is also a counterparty risk that you may lose some or all of your money if there is a deficiency in the designated segregated account. See the section above titled “Significant Risks” for more information concerning counterparty risk.

Under the ASIC Client Money Reporting Rules, we are required to comply with various record-keeping, reconciliation and reporting obligations in relation to the retail and sophisticated client money held in the client money trust. Under these rules, we must:

- Keep records of retail and sophisticated client money received and retain such records for 7 years;
- Perform a daily and monthly reconciliation of the retail and sophisticated client money on our accounts with the actual retail and sophisticated client money held in the client money trust;
- Notify ASIC within 5 business days if we identify a breach of the ASIC Client Money Reporting Rules or if a discrepancy is identified by the reconciliation;
- Lodge with ASIC an annual director’s declaration and an external auditor’s report on our compliance with the ASIC Client Money Reporting Rules within 3 months of the end of our financial year; and
- Establish, implement and maintain policies and procedures designed to ensure our compliance with the ASIC Client Money Reporting Rules.

16 Terms and Conditions

16.1 Description

Our Terms of Business, are set out at the bottom of this PDS and must be read and agreed to before a contract is entered into. If you are outside Australia, there may be other terms and conditions you will be required to sign or acknowledge.

When you use our services you will be bound to our Terms of Business as amended from time to time, along with any other terms you are required to sign or acknowledge (for example, if you are outside of Australia). However, in the event of inconsistency, the terms in the legal documents described below will rank according to the following priority, to the extent of any inconsistency:

- This PDS
- Terms and of Business
- Account Opening Form

The information in this PDS is subject to change from time to time and is up to date as at the date stated at the start of this PDS.

Information in this PDS that is not materially adverse to users of our products is subject to change and may be updated via our company website without prior notice (see contact details on page 1). You can access that information by visiting the website, or telephoning us and asking for an electronic or paper copy. You can also access the website which may contain, from time to time, other information about our products. Where any change to this PDS that may be materially adverse to you, we will provide you with a minimum of 30 days' notice.

There is no cooling off period for any products covered by this PDS.

You must provide all information to us which we reasonably require of you to comply with any law in Australia or any other country. In particular, you must provide adequate identification before you can use our products or services. We may delay, block or refuse to enter, adjust or complete a transaction if we believe on reasonable grounds that making the payment may breach any law in Australia or any other country, and we will incur no liability for doing so. We may disclose any information that you provide to a relevant authority where required by any law in Australia or any other country.

We may decline to open an account for you without having to provide you with any reasons. We reserve the right to suspend the operation of our website and online facility or any part or sections of them. In such an event, we may, at our sole discretion (with or without notice), close out your open positions at prices we consider fair and reasonable.

We may impose volume limits on Client Accounts, at our sole discretion. We reserve the right to close your account without having to provide you with any reasons.

16.2 Your Warranties

Trading in Margin FX or CFDs may be subject to legal restrictions in certain jurisdictions. You acknowledge that it is your sole responsibility to ensure that you observe and comply with any laws applicable to you.

By applying for and trading products covered by this PDS, you warrant that you will not breach any laws applicable to you in your country of residence and anywhere else. You must notify EUROPEFX as soon as practically possible if your circumstances change and you believe that may be subject to any restrictions in trading any products covered in this PDS.

Unless you have disclosed to us that you are acting in trustee capacity or on behalf of another party, you warrant that you are acting on your own behalf when obtaining services from us.

17 Providing instructions by telephone

We only offer telephone services if our Online Platform is unavailable for some reason. When providing instructions by telephone, you will need to provide us with adequate identification information. By utilizing our telephone services, you acknowledge and consent to the phone calls being recorded for training and compliance purposes.

18 Tax implications

Margin FX and CFDs can create tax implications. Generally, if you make a gain attributable to an exchange rate or price fluctuation then that part of the gain is included in your assessable income. Conversely, if you make a loss attributable to an exchange rate or price fluctuation then that part of the loss is deducted from your assessable income. However, the taxation laws are complex and vary depending on your personal circumstance and the purpose of your trading. Accordingly, you should discuss any taxation questions you may have with your tax adviser before using our products or services.

19 What are our different roles?

USG is the product issuer. This means that USG issues the products described in this document, and does not act on behalf of anyone else. In other words when trading on the Margin FX and/or CFD contracts on the EUROPEFX platforms, USG is ultimately your counterparty to every transaction as the issuer of these contracts.

EUROPEFX is an Authorized Representative operating under the Australian Financial Services License of USG within the scope of the authorizations granted to it by USG as set out in section 3 of this PDS. Our website (and at times, our representatives) can give you general advice and help you use the trading services.

20 What should you do if you have a complaint?

In the event you have a complaint about us, you can contact us and discuss your complaint.

We will try and resolve your complaint quickly, fairly and within prescribed time frames.

If the complaint cannot be resolved to your satisfaction you have the right to refer the matter to the Australian Financial Complaints Authority (AFCA) which is an external complaints service, of which USG is a member: 12385
You can contact AFCA on 1800 931 678 or in writing at GPO Box 3, Melbourne, Victoria 3001, Australia. You can also contact the AFCA through their website: www.afca.org.au.

21 Glossary

- **AUD** refers to the Australian dollar
- **Base Currency** refers to the currency in which your trading account is denominated, and also refers to the currency on the left of a quoted trading pair. Any profit or loss on a trade is converted into the

Base Currency. See Step 3 of Section 4 of this PDS for an example.

- **Business Day** refers to a day on which commercial banks are open for business (including dealings in foreign exchange) in the two host countries of the relevant currency pair, or in the case of CFDs, in the country the underlying instrument or index is traded.
- **EUR** refers to the euro – the official currency of the European Union.
- **Forced Liquidation** is described in Section 4 of this PDS.
- **FSG** refers to the Financial Services Guide issued by us.
- **FX** means Foreign Exchange
- **Initial Margin** is the initial deposit required by you before you can trade with us. See Step 2 in Section 4 of this PDS.
- **Leverage** means using a relatively small deposit which is used to secure a significantly larger exposure to an underlying currency or bullion.
- **Loco London Gold and Silver** refers to the place at which gold is physically held and to which a particular price applies. Loco London gold means not only that the gold is held in London but also that the price quoted is for delivery there.
- **London time** means UTC+0:00 unless daylight savings are in place in which case it means UTC+1:00.
- **Margin Level** refers to the equity or balance of funds in your account. It is expressed as a percentage, referring to the level of equity held in your account relative to the margin required by your trade(s).
- **PDS** means Product Disclosure Statement
- **Pip** means 1/100th of one percent, or one basis point. This is the smallest possible price change in an exchange rate.
- **Representative** includes a director or employee of EUROPEFX or USG.
- **Spot Rate** refers to the price that a currency pair or commodity is quoted at, for an immediate "on the spot" transaction. All prices quoted by us are quoted using the Spot Rate.
- **Terms of Business** refers to the terms and conditions that you are required to agree to before you can use the products described in this PDS. They are attached at the end of this PDS, and are incorporated by reference into the PDS. You can obtain another free copy of this document by contacting us using the details at the start of this PDS.
- **USD** refers to the United States dollar.
- **UTC** means coordinated universal time.