

PRODUCT DISCLOSURE STATEMENT

EverForex Financial Pty Ltd

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1 Important Information

- 1.1 This Product Disclosure Statement (PDS) has been prepared by EverForex Financial Pty Ltd (ACN 115 459 124, AFSL No. 297499, EverForex, We, Us) to provide you with key information about EverForex's financial products, namely over-the-counter (OTC) contracts for difference (CFDs) and margin foreign exchange contracts (Margin FX).
- 1.2 We act as the principal when dealing with our clients. In other words, We take the opposite position of each and every trade placed by our clients.
- 1.3 EverForex does not provide any personal advice in relation to our products and services. The only advice we may provide you with will be general in nature and will involve only how our OTC products work. We may also provide you with factual information which does not constitute the provision of financial advice. This PDS has been prepared without taking into consideration your objectives, financial situation or needs. This PDS does not contain any recommendations, statements of opinion, or advice. You may wish to seek independent financial and taxation advice before opening an Account with us.
- 1.4 Before trading with us, you should read the Financial Services Guide (FSG), this PDS and the Terms and Conditions carefully, and consider whether our products are suitable for you. Dealing in CFDs and Margin FX is inherently risky. These products are speculative and highly leveraged, which means that you may incur losses that are far greater than the funds that you initially deposit with us. You should never risk more capital than you can afford to lose.
- 1.5 There is no cooling-off period when you trade with us.
- 1.6 Capitalised terms in this PDS have definitions given in the Dictionary at section 17 of the PDS.
- 1.7 The information given in this PDS is up to date as at the date of publishing, which is displayed on the front page. The information is subject to change at any time, and updated versions of this PDS are available on our website at www.everforex.com.au. If there are substantial changes to this PDS which are materially adverse to you, EverForex will issue either a new PDS or a Supplementary PDS containing the new information. Paper copies of this PDS are available upon request.

2 Jurisdictional Disclaimer

- 2.1 This PDS is designed with Australian clients in mind. If you reside outside Australia, it is your responsibility to ensure that by trading with EverForex you will not breach any laws or regulations applicable to you. The mere fact that you have access to a copy of this document does not amount to an offer to you or solicitation of business from you by EverForex. We strongly advise international clients to obtain their own legal, financial, and taxation advice before opening an Account with us.

3 About Us

- 3.1 EverForex is an Australian owned and operated proprietary company and holds an Australian Financial Services Licence (AFSL) number 297499. We provide our clients with electronic trading platforms that allow them to trade on OTC derivative products including Margin FX and CFD contracts.
- 3.2 EverForex is regulated by the Australian Securities and Investments Commission (ASIC). Further information about ASIC and how ASIC regulates Australian Financial Services Licensees can be found on ASIC's website at: <http://asic.gov.au>. This statement or any other references to ASIC in this document or elsewhere by us cannot be considered as an ASIC endorsement of this PDS or our products and services.
- 3.3 You can contact EverForex via any of the below channels:

Phone: 1800 517 208

Email: support@everforex.com

Post: EverForex Financial Pty Ltd
Suit 4.01, 127 York Street
Sydney NSW 2000 AUSTRALIA

4 What Products Does This PDS Cover?

- 4.1 This PDS is for EverForex's CFDs and Margin FX contracts. It is important to understand that these products are over-the-counter derivatives and involve no clearinghouse or settlement facilities. Accordingly, trading in our products will not result in the physical delivery or the ownership of the underlying financial instruments. Instead, the contracts are settled in cash upon closing positions.
- 4.2 Please see section 9 below for detailed information on product features with working examples.

5 Regulatory Benchmark Disclosure

- 5.1 ASIC has developed seven disclosure benchmarks for OTC derivatives to assist retail investors to understand the risks involved in trading these products, assess their risk profiles, and decide whether OTC derivatives may be suitable for them. More information about these disclosure requirements can be found in ASIC Regulatory Guide 227.
- 5.2 The following table sets out the disclosure benchmarks, whether EverForex meets them, and makes reference to specific sections of this PDS where further information in relation to the benchmarks is provided.

Benchmark	Meet Benchmark?	Information
Client Qualification	Yes	We maintain a written client qualification policy, which sets out the minimum standard a retail

Addresses the issuer's policy on investors' qualification for trading.	No	client has to satisfy before we can open an Account for them. All retail clients are accessed either in an online environment or over the phone. Further information can be found in section 6 of this PDS.
Opening Collateral Addresses the issuer's policy on the types of assets accepted from investors as opening collateral.	No	It is suggested that a limit of \$1,000 be imposed for opening payments made by credit cards. EverForex accepts credit card payments of more than this amount in order to give clients flexibility in their payment options. We also offer a number of payment methods which do not involve utilisation of borrowed funds. Further information can be found in section 16.1 of this PDS.
Counterparty Risk – Hedging Addresses the issuer's practices in hedging its risk from client positions and the quality of this hedging	Yes	EverForex maintains and strictly adheres to a detailed Hedging Policy that sets out the criteria in selecting hedging counterparties and the procedures we have in place to manage our exposure to market risk as a result of our clients' trading activities. The document can be found on our website www.everforex.com.au Further information can be found in section 8.5 of this PDS.
Counterparty Risk – Financial Resources Addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements	Yes	We have in place written procedures that deal with the monitoring of our financial resources to ensure that we comply with the capital requirements applicable to us at all times. Further information can be found in section 8.5 of this PDS.
Client Money Addresses the issuer's policy on its use of client money.	Yes	We have in place stringent client money procedures to ensure that all Client Money is dealt with in accordance with the Client Money Rules. Further information can be found in section 12 of this PDS.
Suspended or Halted Underlying Assets	Yes	We do not allow further positions to be opened where there is a

trading halt or
suspension on
the underlying
market. This
does not

Addresses the issuer's practices in relation to investor trading when trading in the underlying asset is suspended or halted.	Yes	apply to Margin FX products due to the fact that there are no centralised exchanges for these instruments and therefore trading halts and other forms of suspension are not applicable.
		Further information can be found in section 16.2 of this PDS.
Margin Calls Addresses the issuer's practices in the event of client accounts entering into a margin call.	Yes	We have in place a set of written margin call procedures and our liquidation processes. While we make Margin Call notifications to you, you remain solely responsible for monitoring your Account at all times.
		Further information can be found in section 11 of this PDS.

6 Opening An Account with EverForex

6.1 If you wish to open an Account with EverForex, you can complete an application form available on our website www.everforex.com.au . We may collect your personal information in the process without which we may be unable to provide you with the requested products or services.

6.2 Client Qualification

We maintain a written client qualification policy which sets out the minimum criteria that prospective clients must satisfy and the procedures that we follow to ensure that those who fail to satisfy our minimum requirements will not be allowed to open an Account with us.

All prospective retail clients are required to complete a Client Qualification Test (CQT) which is embedded in the account application process. The test may take the form of an online test, or under certain circumstances may be completed with one of our friendly client services team members over the phone. We maintain written records of the test results regardless of how the test is undertaken.

A CQT helps address areas such as previous trading experience in financial products including derivatives and securities, the level of understanding of the nature and key features of OTC derivatives, especially how leverage, margins, and market volatility may significantly affect their investments, whether they have a sufficient understanding in the technologies and procedures commonly used when trading OTC derivative products, and their level of preparedness to monitor their trades and manage the risks involved in trading.

We will decline to establish an Account for a prospective retail client if they fail to satisfy the client qualification criteria in accordance with our procedures. However, we may encourage them to practice trading OTC derivatives using demonstration accounts

which mimic our real trading platforms in terms of both functionality and pricing. They may be allowed to take another CQT after they have practiced trading in a demonstration environment for a minimum period of time as set out in our client qualification policy.

Such an assessment is not undertaken for the purposes of providing you with any financial advice and cannot be relied upon as such. It remains your responsibility to seek independent legal and professional advice and form your own opinion as to whether OTC derivatives are suitable for you.

6.3 Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF)

We will use the collected information for identification and verification purposes to fulfil our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (the AML/CTF Act) and the Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 No 1 (Cth) (the AML/CTF Rules). We may release your information to credit reporting agencies for the purpose of verifying the information you have provided us with. We may also be obligated to share your personal information with government agencies without notification to you.

6.4 EverForex has sole discretion to decide whether or not to establish an Account for you and whether or not to continue a relationship with you. We are not obligated to provide you with any reasons in the event that we refuse to open an Account for you or we decide to terminate your account.

7 Key Benefits of Trading with Us

7.1 Our suite of OTC derivative product offerings may provide an opportunity for you to gain the following benefits:

7.2 Exposure to global markets:

We provide you with exposure to price movements in multiple classes of assets such as indices, commodities, and foreign exchange on the one trading platform.

7.3 Leverage

The leveraged nature of our OTC derivative products means that you are not required to outlay the full value of the underlying asset when trading. This allows you to more efficiently utilise your available capital and increase the market exposure. Please refer to section 9 below for examples on how leverage works.

7.4 Smaller Minimum Trading Size

The minimum trading sizes of our products are typically much smaller than those allowed on the underlying market, therefore offering you greater flexibility in your trading activities. For example, the standard lot size of foreign exchange contracts is usually

100,000 unit of the commodity currency. However, the minimum trading size of most Margin FX contracts on our platform is 10,000 units of the commodity currency.

7.5 Lower Transactions Costs

Transactions costs are a material consideration for traders. The higher the costs, the more difficult it will be to break even and to make a profit. The costs involved in trading on our products are generally lower compared to trading on the underlying products directly. Please see section 13 below for fees and charges and section 9 below for working examples.

7.6 Potential to Benefit from Both Rising and Falling Markets

Our trading platform allows trading in both directions on most instruments, which means you may be able to benefit by entering into long positions on a rising market and also by shorting in a falling market.

7.7 Real-Time 24 x 5 Access and Support

Our trading platform gives you access to real-time pricing on OTC derivatives derived from financial instruments from all over the globe. This allows you to access your Account and take advantage of trading opportunities around the clock regardless of whether the Australian markets are open. Our friendly and knowledgeable client services team is generally also here to assist you with all of your enquires 24 hours a day, five days a week.

8 Significant Risks of Trading OTC Derivatives

8.1 OTC derivatives are not suitable for all investors. You need to be mindful about the significant risks involved in trading OTC derivative products, including the following:

8.2 Leverage Risk

Our products are highly leveraged in nature. While the leverage may magnify your trading profits, it may also magnify your trading losses. You need to bear in mind that you are exposed to the full notional value of your positions, and as a result, you may lose more than your initial investment.

You are required to maintain sufficient funds on your Account to satisfy the relevant initial and ongoing margin requirements. You may be required to make further deposits into your Account should the market move against you and your Account balance falls short of the required amount as a result. Your position(s) may be liquidated if you do not make such deposits in time. We are not required to hold your positions open for a certain period of time to allow you to deposit funds into your Accounts. It may be extremely difficult to deposit funds into your Account in time to prevent liquidations under volatile market conditions. You should be mindful that you are responsible for monitoring your Account on an ongoing basis and for any losses incurred including those arising from liquidations. Please see section 11 below for further information on Margin Calls and Liquidations.

8.3 Market Risk

The prices of our OTC derivative products are derived from the underlying instruments and as such, by trading with us, you are exposed to the general forces of the market, such as supply and demand and major economic events.

8.4 Liquidity Risk

There may be limitations on the volume of OTC derivatives that we are able to offer at particular prices at a particular point in time. This means that you may not be able to enter into or exit a position at a price and volume of your preference.

8.5 Counterparty Risk

EverForex is the issuer of the OTC derivative products available on our trading platform. There are two aspects of the counterparty risk that you are exposed to when dealing with us:

(1) Hedging

We take the opposite side of all trades placed by our clients. You are therefore exposed to the risk that we may not be able to fulfill our obligations to execute your trades as instructed.

Hedging refers to the process We use to mitigate our market exposures as a result of the trading activities of Our clients. We may achieve this by engaging one or more liquidity providers. We may fully or partially hedge our positions, depending on the market volatility and our risk management parameters for a given instrument. We may also offset client trades against each other, meaning we may match opposite trades on the same instrument from different clients before we hedge our net position to reduce hedging costs.

We have in place a written Hedging Policy which documents Our hedging practices in detail and can be found on our website. It may be updated from time to time. We apply stringent criteria when selecting a potential liquidity provider. The factors to be taken into consideration include:

- The nature and size of their business operations
- The financial standing and business reputation
- Whether they are licenced in their jurisdiction
- Whether they are subject to regulation similar to those that AFS licensees operate under

Our ability to fulfil our obligations to you is affected by the ability of our liquidity providers to fulfil their contractual obligations. Our hedging practices do not completely eliminate the counterparty risks you are exposed to when trading with us. In the event that We default on our obligations to you, such as when We become insolvent or enter into an administration, you will become an unsecured creditor of EverForex. You will not have any recourse to Our assets, neither will you have any recourse to the assets of our liquidity providers.

(2) Financial Resources

You are exposed to the risk that we may not have sufficient financial resources to fulfil our financial obligations to you.

Apart from maintaining its solvency (the ability to pay its debts as and when they fall due), EverForex is required to comply with the financial requirements set out in RG 166 that are applicable to OTC derivatives providers. We calculate our Adjusted Surplus Liquid Fund level on a daily basis to ensure that we comply with the relevant capital requirements at all times. Internal reporting lines have been established so that the management will be notified immediately should there be any doubt on EverForex's ability to comply with these requirements, so appropriate actions can be taken, including but not limited to, raising additional capital, notifying ASIC and/or clients of the events and ceasing to enter into further transactions with clients.

Client money is held in segregated client trust accounts held with one or more Australian Deposit-taking Institutions (ADIs). Please see section 12 below for further details on our treatment of client money. We conduct daily client money reconciliations to ensure that there is a correct amount of Client Money held on your behalf.

As an AFS licensee, we are required to have our accounts audited on an annual basis. Please contact our client services team if you would like to request a copy of the most recently audited financial statements and we will provide them to you free of charge.

8.6 Gapping Risk

Gapping refers to a situation where there is a sudden and noticeable change in the price level of an instrument due to unexpected economic events and/or sudden changes in available liquidity that we are able to obtain.

We endeavour to provide you with the best pricing that we can reasonably obtain. However, gapping may occur in volatile market conditions, which means while you may see a particular price on the trading platform, there may not be sufficient liquidity to fill your entire order at your requested price. If this occurs the remaining portion of your order will be filled at the next best price.

8.7 Foreign Exchange Risk

For the products that are denominated in a currency different to the base currency of your Account, you are exposed to the fluctuations of the exchange rates between the currency in which your trade is settled and the base currency of your Account. For example, your Account is denominated in the Australian Dollar. You trade in a commodity CFD which is denominated in the US Dollar. From the moment you open a position in the commodity CFD until the profits and losses are converted back into AUD, you are exposed to the exchange rate fluctuations between the AUD and USD. Further, once you Close Out your position, any funds payable will be returned back to you in the currency in which your Account is denominated.

8.8 Prices of Limit Orders and Stop Loss Orders not Guaranteed

Limit and stop-loss orders are useful risk management tools when trading. However, you should note that we cannot guarantee that there will always be sufficient volume at your requested price to fill your order in its entirety. Where there is insufficient volume to fill your order in its entirety at the requested level, the remaining portion of your order will be filled at the next best price. For example, you place a stop sell order on Aussie 200 at 5500 and the volume is 10 contracts. Once the bid price drops to or below 5500 your stop loss order will be activated and will be filled. If there are only 3 contracts available at the price 5500, and 20 contracts are available at the next best price 5499, your order will be filled as follows:

3 contracts at 5500 and

7 contracts at 5499.

The result is that the overall price you receive will be worse than initially requested.

8.9 IT Risk

We provide you with products and services through our online trading platform which can be accessed through computers and mobile phone applications. We rely heavily on information technology (IT) to successfully manage our business operations. We make every effort to adequately maintain our IT systems to ensure that we can effectively and efficiently provide financial products and services to you. However, we cannot guarantee that all systems will be working order all the time. You are exposed to the risk that our IT systems may cause temporary interruptions to your ability to trade so you may not be able to enter into or exit trading positions when you want to at the price levels of your preference. You are also exposed to the risk that the trading platform may not reflect the true status of your account which may occur during volatile market conditions.

Your ability to trade is also affected by the quality of your internet connection. Interruptions may cause a delay in the transmission between your terminal and our servers. As a result, it is possible that an order has already been received and executed on our servers, but it may appear that the order remains un-executed on your end. Where there is any doubt as to the status of an order, please do not make multiple execution attempts, but rather contact our client services team immediately for further assistance.

9 Key Features

9.1 Our OTC derivatives offering includes both Margin FX and CFD contracts.

9.2 Margin FX

Margin FX is an OTC derivative product, the price of which is derived from the underlying foreign exchange currency pair (the underlying instrument). It essentially involves buying or selling one currency (the Term Currency) with another currency (the Base Currency) at an agreed rate. For example, AUD/USD 0.7500 means that it takes 75 US cents to buy \$1 AUD.

Foreign exchange is the most liquid financial market in the world with enormous trading volumes and it operates around the clock offering traders a significant amount of trading opportunities. However, it is difficult for retail investors to access these opportunities due to the amount of capital required in order to effectively implement any trading strategies.

Margin FX is appealing to many retail traders as it provides an opportunity to trade on the foreign exchange price movements on a margined basis. Investors must lodge funds in their accounts as security and cover all debt adverse market movement.

9.3 CFDs

A CFD is an agreement between two parties to exchange the price difference in an underlying instrument from the opening of a position to the closing of the same position. CFDs are leveraged products which means that the investor does not need to outlay the full value of the contract upfront.

We offer CFDs over various types of indices and commodities (including gold, silver, crude oil Brent, platinum, and palladium), cryptocurrencies which may be based on cash or futures.

Our CFDs are based on cash and are cash-settled. This means that they do not result in the physical delivery of the underlying instrument.

9.4 Opening a Position

You open a Margin FX or CFD position by either buying ('going long') or selling ('going short') the instrument on our trading platform.

Buying: If you anticipate the price of an underlying instrument to rise, you buy the corresponding CFD or Margin FX contract.

Selling: If you anticipate the price of an underlying instrument to fall, you sell the corresponding CFD or Margin FX contract.

9.5 Margining

Margin refers to the amount of funds required in order to either open or maintain a position.

Initial Margin refers to the amount of funds required in order to open a position. The amount of funds required to satisfy is calculated as follows:

$$\text{Initial Margin} \times \text{number of contracts}$$

Maintenance Margin refers to the amount of funds required to keep a position open and it may differ from the Initial Margin. The amount of funds required to satisfy the Maintenance Margin requirement is calculated as follows:

$$\text{Maintenance Margin} \times \text{number of contracts}$$

It is your responsibility to monitor your Account at all times and ensure that you have sufficient funds to keep your open positions.

9.6 Profit and Loss Calculations

Profit and Loss (P/L) includes both floating P/L and realised P/L.

Floating P/L shows the amount of P/L you would make should you close the position at the prevailing price.

Realised P/L means the actual P/L you have made upon closing a position, after the deduction of trading costs (if applicable).

9.7 Trading Examples

Margin FX

Winning Trade

Tom trades currency with his EverForex Margin FX account and believes that upcoming economic developments will cause the price of AUD/USD to fall. Tom has a balance of AUD \$10,000 and the AUD/USD is trading at 1.12000. Tom sells 1 lot (100,000 AUD) of AUD/US at 1.12000. As a result, his leverage on the trade is 10:1 in relation to his Account equity. Three days later the price of the AUD/USD has fallen to 1.11500. The net movement for AUD/USD has been: $(1.12000 - 1.11500) / 1.11500 * 100 = 0.448\%$.

However, as Tom's leverage on this trade was 10:1 the profit was much larger than 0.448% as a proportion of his Account equity. His profit on this trade, excluding other fees and charges, will be $100,000 * 0.00500 = \$500$ USD or $500 / 1.11500 = \$448.43$

AUD at the time the trade is closed. Proportionally to Tom's starting Account equity, this profit has resulted in an equity profit of $448.83 / 10,000 * 100 = 4.48\%$ on his Account. As the size of the trade was 10 times larger than the Account equity, the profit or loss from any price movement on AUD/USD is also amplified by 10 times.

Losing trade

In the same scenario, imagine that Tom trades currency with his EverForex Margin FX account and believes that upcoming economic developments will cause the price of AUD/USD to fall. Tom has a balance of AUD \$10,000 and the AUD/USD is trading at 1.12000. Tom sells 1 lot (100,000 AUD) of AUD/US at 1.12000. His leverage on this trade is therefore 10:1 relative to his Account equity. Three days later the price of the AUD/USD has risen to 1.2500. The net movement for AUD/USD has been: $(1.12500 - 1.12000) / 1.12000 * 100 = 0.44\%$.

However, as Tom's leverage on this trade was 10:1 the loss was much larger than 0.44% as a proportion of his Account equity. His loss on this trade, excluding other fees and charges, will be $100,000 * 0.00500 = \$500$ USD or $500 / 1.12500 = \$444.44$ AUD at the time the trade is closed. Proportionally to Tom's starting Account equity, this loss has resulted in an equity loss of $444.44 / 10,000 * 100 = 4.44\%$ on his Account.

Index CFDs

Winning Trade

The Australia 200 CFD is trading at 5112-5113 and the current applicable interest rate is 6% (3.5% (RBA Rate. Note, this rate is subject to change.) + 2.5%). Sophie believes that the Australia 200 Index will rise on the back of positive economic news and so she buys 10 CFDs at 5113 at a total cost of \$51130 [10 x 5113]. The financial adjustment will be \$(16.809) [$5113 \times 10 \times (6\%/365)$] x 2. Two days later the Quote in the Australia

200 CFD has risen to 5132-5133 and Sophie decides to close her position by selling 10 Australia 200 CFDs at 5132 at a price of \$51320 [10 x 5132]. Her realised Profit & Loss will be \$190 - the difference between the opening and closing CFD value [\$51320-\$51130]. Factoring in the financing adjustment, her net profit will be \$173.19.

Losing Trade

Jake buys 10 FTSE 100 Cash CFDs at 4451 at a total cost of \$44,510 [10 x 4451] thinking that the FTSE 100 CFD will rise. The financial adjustment will be \$(14.63) [$4451 \times 10 \times (6\%/365)$] x 2. However, two days later the Quote in the FTSE 100 CFD has dropped to 4446-7 and Jake closes his position by selling 10 FTSE 100 Cash CFDs at 4446 at a price of \$44460 [10 x 4446]. His realised Profit & Loss will be \$(50) [$44510 - 44460$]. Factoring in the financial adjustment, his net loss will be \$(64.63).

Commodity CFDs

Winning Trade:

Zoe thinks that the price of gold is going to rise in the near future. Zoe sees that EverForex is currently quoting a price \$41.47 per gram of gold. Zoe buys 1000 gold CFDs at a total cost of \$41,470. Zoe lodges 10% of an amount as margin (\$4147). Shortly thereafter, Zoe's prediction is proven to be correct and the price of gold rises and ExerForex is now quoting a price of \$41.55 for a gram of gold. Zoe decides to close out her position and sell 1000 units of gold. The percentage change in the price of gold is equal to $(41.55 - 41.47) / 41.47 \times 100 = 0.1929\%$. Zoe's account equity increases (that is, Zoe makes a profit) of $0.1929\% \times 100,000 = \192.9 .

Losing Trade:

Take the above scenario, but instead, have the price of gold fall to \$41.35 instead of rising. The percentage change in the price of gold is now equal to $(41.35 - 41.47) / 41.47 \times 100 = -0.2893\%$. Zoe's account equity decreases (that is, Zoe makes a loss) of $-0.2893\% \times 100,000 = \(289.37) .

10 Orders and Execution

10.1 We act as the principal when dealing with our client and we are the issuer of the Margin FX and CFD contracts available on our trading platform.

10.2 Types of Orders

Market Order	A market order is an order to buy or sell immediately at the current market price. Generally, they are placed during market hours.
Limit Order	A limit order to buy (at a limit price) refers to an order to buy if the price trades at or below the limit price you have chosen. A limit order to sell (at a limit price) refers to an order to sell if the price trades at or above that limit price. These orders may be used to enter a position

or to exit a position. When used to exit a position, they're also known as a "take profit order". A limit order will

generally be filled as a market order once the limit price is traded. This could mean that the actual fill price is better or worse than the limit price you select on the order.

Stop Loss Order A stop loss order is an order from you to close a CFD Transaction if the price moves to or beyond a level specified by you. Typically, a buy stop-loss order is used to close a short Open Position at a price which is higher than the current price; or sell a CFD to close a long Open Position at a price which is lower than the current price. All stop-loss orders are subject to agreement by us, so you cannot be assured that you will always be able to execute a stop-loss order. A stop-loss order might not get filled at all. Even if we accept your stop-loss order, market conditions may move against you in a way that prevents the execution of your stop-loss order.

- 10.3 Orders can only be placed through the electronic trading system either via desktop computers or mobile phone applications. No trading instructions can be accepted via any other means.
- 10.4 Order processing is based on the pricing and available liquidity at the time when the orders are received in our back office, which may not be the same time as when you place an order on the trading platform. It is possible that the price and/or liquidity has changed by the time your order reaches our back office which may result in either price improvement or a worse price for you.
- 10.5 It is your sole responsibility to ensure that that you have sufficient funds in your Account to satisfy all margin requirements at all times.
- 10.6 Our system does not check the adequacy of your funds when you place orders. If you have insufficient funds at the time when the orders are due to be executed, your order will be cancelled.
- 10.7 Bids and asks are determined in part by reference to the prices quoted to EverForex by its liquidity provider. EverForex generally only uses one liquidity provider and does not aggregate pricing.
 - (1) If a limit order is used to fill at the limit price or better, i.e., no negative price adjustment, the ability for us to fill the order entirely will be dependent on the available liquidity at that price. This may cause a limit order to be partially filled or not filled at all.
 - (2) A proportionate adjustment in the stock of indices will be applied when it passes its ex-dividend date in the underlying market.

11 Margin Calls and Liquidation

- 11.1 Market conditions can change dramatically within very short periods of time and we strongly recommend that you maintain adequate free equity in your Account to accommodate for potential adverse market movements that your open positions may experience. It is solely your responsibility to monitor your open positions and to ensure that you have sufficient funds to cover all margin requirements at all times.
- 11.2 We are not obligated to inform you in the event that you have insufficient funds to satisfy the ongoing margin requirements in order to maintain your open positions. However, we endeavour to notify you via alerts on the trading platform when your margin falls below 100% of your margin requirements.
- 11.3 EverForex may Close Out your positions when your margin falls below 50% of your margin requirements.
- 11.4 Margin calls can only be met by cleared funds received into your Account. Therefore, you need to take into consideration the time required for your deposit to reach our end when selecting a deposit method. You run the risk of having your position(s) liquidated by us prior to the margin calls being satisfied. We cannot guarantee to hold your positions open for a certain period of time and there may be a very limited window for you to meet the margin calls.
- 11.5 EverForex will not be liable for any losses, costs, expenses or damages incurred by you for any failure to satisfy a Margin Call.

12 Client Money

- 12.1 Client Money is held in a segregated account maintained with an ADI for the benefit of the client (the Client Money Account) and dealt with in accordance with the Client Money Rules provided in Part 7.8 of Division 2 of the Corporations Act (Client Money Rules) and ASIC Regulatory Guide 212: Client Money Relating in OTC Derivatives. You may make your deposit to EverForex by using BPay®, electronic or telegraphic transfer, by cheque, credit card or other means that may be approved by us from time to time.
- 12.2 Funds belonging to different clients are pooled into the same Client Money Accounts as permitted under the Corporations Act. There is no guarantee that your client money will be fully protected. There may be a shortage in client money if another client defaults even if you have fulfilled all of your obligations when trading with Us. If EverForex becomes insolvent before we can top up the shortage, you may become an unsecured creditor of ours. We will not be held liable for the solvency or any act or omission of any authorised ADIs with whom a trust account is held.
- 12.3 If you are a Retail Client, any Client Money that you pay into the Client Trust Account will not be used by EverForex for margining, guaranteeing, securing, transferring, adjusting or settling dealings, or for any of the other means prohibited by the Client Money Rules. Any obligations incurred in connection with such transactions are funded by EverForex from its own operating account.

12.4 EverForex is entitled and you authorise us to withdraw, deduct, pay or apply money from the Client Trust Account for the fees, charges and other money that EverForex has become entitled to in respect of your Margin FX contracts and CFDs, and at this

point, the money is no longer Client Money, it is money that We are entitled to and can be withdrawn out of the Segregated Client Trust Account.

- 12.5 You acknowledge that we may invest your Client Money held in a Client Money Account in investments permitted by the Client Money Rules, and you irrevocably authorise us to do so. EverForex is solely entitled to all profits and interest derived from such investments.
- 12.6 In the event that EverForex ceases to be licensed, becomes insolvent or ceases to carry on a particular activity authorised under its AFS licence, the Client Money will be paid out in the following order:
- (a) The money paid into the Client Money Account in error;
 - (b) Payment to each person who is entitled to payment from the Client Money Account;
 - (c) Where there are insufficient funds to satisfy both of the above, money is to be paid to each person proportionally in accordance with their entitlement;
 - (d) EverForex is entitled to any residual amounts left in the Client Money Account after all the above entitlements have been fully paid out.

13 Fees and Charges

13.1 The fees and charges that may be applicable when you trade with EverForex are listed below.

13.2 Commissions

Commissions may be applicable to individual CFDs depending on the specific contract. They are subject to a minimum charge and are charged on either a percentage of the notional value or on a cents per share basis. Commissions are charged on a per-trade basis. The detailed commission rates can be found on our website www.everforex.com.au and may be updated from time to time.

13.3 Spread

The spread is the difference between the Bid price at which We buy an instrument and the Ask price at which we sell the same instrument. It is the minimum amount that the market needs to move in your favour before you can break even. The spread may be subject to fluctuation depending on the market conditions. For the currently applicable spreads please refer to our website www.everforex.com.au.

13.4 Swap Rate

If you hold a Margin FX contract open overnight, you may either receive or pay an amount depending on the interest rate differential between the two currencies in

question, the notional value of the position and the spread that We apply when calculating the swap rates.

Debit from Account

John trades FX for a living. He has a Margin FX contract for 1 lot of JPY/USD (long) with a JPY based Account which has a swap of -6.29 (points). However, John holds his Margin FX contract overnight. As a result, he must pay an amount depending on the interest rate differential between JPY and USD. This will be charged at the EverForex Swap Rate. For example, as 6.29 points equate to 6.29 units of base currency on a 1 lot trade as 1 lot has a pip value of 10 units of base currency, John may be charged \$6.29 $[(10 \times -6.29 \times 1) / 10 = \$-6.29]$.

Credit to Account

Mary has a long AUD/USD Contract and holds it over the cut-off. At the time of the cut-off, interest rates are higher in AUD than in USD. As a consequence, Mary may receive a swap benefit because she is long on the highest yielding currency.

If you hold a position from a Wednesday to Thursday, the swap related benefit/charge will be for three days to cover the week due to the fact that the settlement on the spot foreign exchange market is done on a T + 2 basis.

13.5 Rollover

If you hold a position in a commodity CFD derived from the underlying futures contracts, should the futures contracts expire, your CFD position will be automatically closed at the settlement price of the existing contract and will be automatically reopened at the opening price of the new contract. An adjustment will be made to your Account to reflect the differences between these two prices.

13.6 Currency Conversion

Where you trade on a Margin FX or CFD contract that is denominated in a currency different to the base currency of your Account, the profit and loss will be automatically converted back to the base currency of your Account upon the closure of the position.

Example:

Bart has an EverForex Margin FX account which has a base currency in AUD and a balance of AUD \$10000. The next day Bart, believing that the price of USD/GPB will increase, buys 1 lot (USD \$100000) of USD/GPB at 1.20000. A day later the price of the USD/GPB has increased to 1.30000. Bart then closes the trade which results in a USD profit of \$10000. However, as PnL is automatically converted back to the base currency, Bart's net profit will be converted from USD to AUD on an exchange rate determined by the market rate at the time.

13.7 Cash Index CFD

BHP has decided to issue a dividend which will impact the underlying cash index once BHP trades on the ex-dividend date. The overall impact to the underlying index has been determined as being 9 points by EverForex. John decides that he will buy 1 lot AUS200. He

will receive \$9 AUD as a cash deposit in his trading Account. If, however, John chooses to sell 1 lot AUSD200 he will be charged \$9 AUD.

13.8 Banking fees

The following fees are charged by financial institutions for the services provided which are passed onto our clients. Where the exact charges cannot be estimated we have set a charge that can approximately cover the fees We pay to the financial institutions.

Credit card/Debit Card	
International Transfers	
Receiving International Transfers	
RTGS	
Account Closure Fee	\$10

14 Dispute Resolution

- 14.1 EverForex is required to maintain a robust and effective internal and external dispute resolution system to resolve complaints raised by retail clients and small businesses.
- 14.2 We invite you to contact us by phone or email if you have any issues or concerns. We endeavour to fairly investigate into the matter for you as soon as possible.
- 14.3 If you are still unsatisfied after exhausting our internal dispute resolution process, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaints resolution services which are free to consumers. Our Membership Number is 10072. You can contact AFCA via the below channels:

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

- 14.4 You may also contact ASIC on 1300 300 630.

15 Privacy Policy

- 15.1 We take your privacy very seriously and we comply with the Privacy Act 1988 (Cth) and the Australian Privacy Principles (APPs) when dealing with your personal information. We collect your personal information for the primary purpose of providing requested products and services to you. We may inform you about the products and services that we think that may be of interest to you. You can opt out of receiving further promotional materials at any time.

15.2 Please refer to our website www.everforex.com.au for our full Privacy Policy, which may be updated from time to time.

16 Miscellaneous

16.1 Opening Collateral

We accept cash or cash equivalents only as the opening collateral. We do not accept other types of assets such as securities.

Our products are highly leveraged and the use of borrowed funds (such as by using credit cards) have the effect of double gearing. In such a case a client is more vulnerable to the risk that they may not be able to repay the borrowed funds and that they may not be able to maintain adequate margins should the market move against them.

For the above-mentioned reasons, we do not encourage the use of credit cards to fund client Accounts. We also offer a number of convenient payment methods, such as bank transfer and BPay. However, credit cards remain one of the preferred payment methods due to the instantaneous process of payments and therefore allow traders to swiftly react to fast-moving market conditions. We do not limit the amount of money clients may deposit using credit cards to make our services more flexible to clients.

16.2 Trading Halt and Suspensions

In the event there is a trading halt on the underlying market, we will suspend trading in the corresponding OTC derivative product.

16.3 Conflicts of Interest

We act as the principal when transacting with you. We may choose not to fully hedge our exposure which arises as a result of our clients' trading activities. It is possible that we may benefit from client losses.

16.4 Superannuation Funds

The Superannuation Industry Supervision Act 1993 (Cth), the associated regulations and circulars imposes significant restrictions on the investment activities of complying superannuation funds. There are a number of issues that trustees of complying superannuation funds need to consider before engaging in OTC derivatives trading, including:

- (a) Any prohibitions that may affect the trustees' ability to deal in OTC derivative products, such as prohibitions on borrowing or charging assets;
- (b) Permitted investment strategies of the fund and whether OTC derivative products may fall within that scope;
- (c) The trustees' fiduciary duties owed to the beneficiaries of the trust;

- (d) The need for the trustees to adequately understand the risks associated with trading OTC derivative products and the necessity to have sufficient risk management processes in place to manage such risks;
- (e) Understand the taxation implications of trading in OTC derivative products and the potential consequences should the taxation requirements not be met.

17 Dictionary

17.1 In this PDS, the below terms are defined as specified in this section.

Account means an account opened in your name with EverForex. This is not a bank account but rather an administrative method of identifying you and the trades that you place with us;

ADI means Authorised Deposit-taking Institution;

AFCA means the Australian Financial Complaints Authority;

ASIC means the Australian Securities and Exchange Commission;

CFDs or CFD means a contract (or contracts) for difference, a type of financial product;

Client Money means money paid by you or someone acting on your behalf to EverForex in connection with a financial service that has, will, or may be provided to you by EverForex, or in connection with a financial product held by you, subject to any exceptions in the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth);

Dedicated Trust Account means a trust account with an ADI for the purposes of s 981B of the Corporations Act

EverForex, We, Us means EverForex Pty Ltd (ACN 115 459 124, AFSL No. 297499);

FSG means Financial Services Guide;

Margin FX means margin foreign exchange contract, a type of financial product;

OTC means over-the-counter, a term used to describe financial products that are not traded on a centralised exchange or marketplace;

PDS means Product Disclosure Statement;

Retail Client has the meaning given to it by s 761G of the Corporations Act.