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PRODUCT DISCLOSURE STATEMENT

Product Disclosure Statement

Margin Foreign Exchange

AND

Contracts for Difference

Issued on 05 October 2021

by Trading Point of Financial Instruments Pty Ltd

ACN 164 367 113

AFSL 443670

Please note: except where specified, this Product Disclosure Statement relates to both Margin Foreign Exchange and Contracts for Difference transactions simultaneously.

Financial Services are provided, and this Product Disclosure Statement has been prepared and issued, by Trading Point of Financial Instruments Pty Ltd, ACN 164 367 113, AFSL 443670 ("XM.com", "we", "our" or "us"). Please note that the information contained in this Product Disclosure Statement ("PDS") does not constitute a recommendation, advice or opinion and does not take into account your individual objectives, financial situation, needs or circumstances. This is an important document and should be read in its entirety. Before entering into a Margin Foreign Exchange ("Margin FX") or a Contract for Difference ("CFD") transaction, you should obtain independent advice to ensure this is appropriate for your particular financial objectives, needs and circumstances.

We recommend that you also obtain independent taxation and accounting advice in relation to the impact of foreign exchange gains and losses on your particular financial situation. The taxation consequences of Margin FX or CFD transactions can be complex and will differ for each individual's financial circumstances, and your tax adviser should be consulted prior to entering into a Margin FX or CFD transaction.

XM.com does not guarantee the investment performance of Margin FX or CFD products nor the investment performance of the underlying markets or instruments. Past performance is no indication or guarantee of future performance.

The information in this PDS is current as at 05 October 2021 and may be updated from time to time if that information is not materially adverse to clients. Updated information shall be provided on our website www.xm.com/au. XM.com may issue a supplementary or replacement PDS as a result of certain changes, which shall be available on our website or shall be distributed in electronic form as required.

This PDS does not constitute an offer or invitation in any place outside Australia where or to any person to whom it would be unlawful to make such an offer or invitation. The distribution of this PDS (electronically or otherwise) in any jurisdiction outside Australia may be restricted by law and persons who come into possession of this PDS should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable law.

If you received this PDS electronically, we can provide a paper copy free of charge upon request. For information regarding our full range of products and services, please read our Financial Services Guide ("FSG") and visit our website. If you have any queries regarding this PDS, please contact XM.com.

Warning Margin FX and CFD products are considered speculative products which are leveraged and carry significantly greater risks than non-g geared investments, such as shares. You should not invest in Margin FX or CFD products unless you properly understand the nature of Margin FX or CFD products and you are comfortable with the attendant risks. You should obtain financial, legal, taxation and other professional advice prior to entering into a Margin FX or CFD transaction to ensure this is appropriate for your objectives, needs and circumstances.

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1. Purpose and Contents of this Product Disclosure Statement (PDS)

This PDS is designed to provide you with important information regarding Margin Foreign Exchange (Margin FX) and Contracts for Difference (CFD) transactions including the following information:

- Who we are
- How you can contact us
- Which products we are authorised to offer
- Key features/risk/benefits of these products
- Applicable fees and charges for these products
- Any (potential) conflicts of interest we may have; and
- Our internal and external dispute resolution process.

The information in this PDS is subject to change from time to time. Where changes are material, we will issue a revised or supplementary PDS to all clients. This PDS does not constitute an offer or solicitation to anyone outside the authorised jurisdiction.

Defined terms used in this PDS are defined in the Glossary in section 26 or elsewhere in this PDS. If you would like further information, please ask us. Further detail about our services is available on our website www.xm.com/au.

2. Name & Contact Details Of Issuer/Service Provider

The Issuer/Service Provider is Trading Point of Financial Instruments Pty Ltd ACN 164 367 113 ("XM.com", "we", "our" or "us").

XM.com holds an AFSL Number 443670 and is authorised to provide general and/or personal financial product advice in relation to, and to deal in derivatives, and to make a market in derivatives and foreign exchange contracts to retail and wholesale clients.

You can contact our office by any of the means listed below:

Writing to us at: Trading Point of Financial Instruments Pty Ltd
Level 13
333 George Street
Sydney 2000
NSW
Australia

Calling us: +612 8607 8385

Sending an email to: auinfo@xm.com

Visiting our website : www.xm.com/au

3. Terms & Conditions

Information provided to you in our FSG and PDS is important. Legal terms governing our relationship are detailed in the Client Agreement - Terms and Conditions of Business (referred to as "Terms and Conditions" and/or the "Client Agreement") of your agreement with us. You must complete, sign and return the application (either online, electronically, fax or by post), and have your account approved by XM.com. XM.com may refuse to open a Margin FX or CFD account for any person.

XM.com accepts Margin FX and CFD transaction order instructions primarily via the electronic trading platform but may also accept order instructions via telephone. You are required to access the electronic

trading platform on a daily basis to confirm that any order instructions have in fact been received by us, reconfirm all orders that you place with us, review order confirmations we provide, to ensure their accuracy and monitor your Margin obligations. Any order discrepancies identified must be reported to us immediately.

XM.com will provide all clients, via the electronic trading platform or the website, with access to both daily and historical account statements allowing you to check your open positions, Margin requirements and cash balances, and trading confirmations. Should you have any queries relating to your statements we encourage you to contact us.

XM.com does not guarantee the performance, return of capital from, or any particular rate of return, of a Margin FX or CFD product or transaction. Clients should only invest risk capital (that is, capital you can afford to lose). Please note that the historical financial performance of any Margin FX or CFD or underlying instrument/market is no guarantee or indicator of future performance.

Please note that the examples provided in this PDS are only provided for illustrative purposes and do not necessarily reflect current or future market or product movements, the values that XM.com will apply to a trade, nor how such trades impact your personal circumstances. The figures used in the examples do not necessarily reflect your personal circumstances and do not restrict in any manner the way in which XM.com may exercise its powers or discretions. Those examples do not constitute general or personal financial product advice to any person reading this PDS.

4. XM.com - Margin FX And CFD Summary Table

The following summary table is provided for ease of reference. Please ensure that you read this PDS in its entirety.

Item	Summary	PDS Section reference
Who is the issuer of this PDS and the products?	Trading Point of Financial Instruments Pty Ltd	2
What is Margin FX?	Margin FX is an over-the-counter derivative product which enables traders to leverage a small margin deposit for a much greater market effect in relation to currencies. A foreign exchange contract involves the exchange of one currency for another. Margin FX differs from spot and forward foreign exchange trading in that they are legally classified as derivatives rather than foreign exchange contracts, and are cash settled (i.e. no physical delivery is available). Margin FX trading generally involves taking forward positions in a foreign currency and instead of those contracts being settled by exchange of the relevant currencies, the positions are "closed out". Closing out involves entering into equal and opposite position with us, which generates a profit or loss on the transaction, which is then settled between us. The resulting profit or loss of the trade is the net result of the difference between the opening and closing exchange rates of each transaction, adjusted for transaction costs.	7
What is a CFD?	A Contract for Difference (CFD) is a contract under which the parties agree to exchange the cash difference between the opening value and the closing value of the contract. The CFDs we offer are over-the-counter financial products that give the holder exposure to price movements of an underlying instrument. Like other derivatives, CFDs allow investors to participate in the returns from movements	9

	<p>in the price (or, if an index, the value) of an underlying instrument, without the need to own that underlying instrument. CFDs allow you to make a profit or loss from the fluctuation in the price (or value) of the underlying instrument and the amount of any profit or loss on a CFD transaction will be the total of the difference between the opening value of the CFD (Quantity x Our Price) and the closing value of the CFD (Quantity x Our Price); less any commission, and rollover fees you incur and are required to pay to us in respect of the CFD.</p>	
<p>What fees and charges are payable in respect of a Margin FX and CFD contracts?</p>	<p>XM.com does not charge fees on Margin FX or CFD transactions for micro, standard, Ultra Low micro and Ultra Low standard accounts. XM.com prices will be the same level (or price) at which it is offered by its counterparty (a Trading Point Group entity), i.e. all transactions where XM.com is the market maker will be entered into on a “matched book” basis or “back to back” basis. Each transaction agreed and entered into with a Client as principal will be, at the same time ‘offset or matched’ with a similar trade with one of our counterparties (a Trading Point Group entity).</p> <p>XM.com charges a commission only for transactions made on already existing Zero accounts (i.e., XM.com ceased the offering of Zero accounts). The commission is \$3.5 per \$100,000 traded and is deducted from the existing Zero account during the opening and the closing of an order.</p> <p>The following administrative fees will also be applicable:</p> <ul style="list-style-type: none"> • Dormant Account fees - up to \$5 per month; • VPS fees (where applicable) - up to \$28 per month; • Courier fees (where applicable). <p>For your information, XM.com will be paid on the basis of a flat percentage of transaction values from its counterparty(ies).</p>	<p>14</p>
<p>How do I open a Margin FX or CFD account?</p>	<p>Prior to transacting in Margin FX or CFDs, you must read and accept our FSG, this PDS and the Client Agreement - Terms and Conditions of Business (which will be provided to you by XM.com) detailing the applicable terms and conditions. You must complete, sign and return the Client Agreement - Terms and Conditions of Business and have your account approved by XM.com. XM.com may refuse to open an account for any person.</p>	<p>3, 18 and 20</p>
<p>How do I place a Margin FX or CFD transaction order with XM.com?</p>	<p>XM.com accepts Margin FX and CFD transaction instructions electronically, via our electronic trading platform and also via telephone. CFD positions can be opened by either buying or selling a CFD, depending on whether you require a long or a short position. CFD positions can be closed by taking the equal or opposite position to the open CFD position. That is,</p>	<p>3 and 18</p>

	purchase a long CFD to close a short position, or sell a short CFD to close a long position.	
What is Margin?	<p>Your Initial Margin is the amount XM.com debits from your account as soon as you open a new Margin FX or CFD position or place an order to open a new Margin FX or CFD position. Typically, we will require an Initial Margin calculated as a percentage of the contract value.</p> <p>The Variation Margin is equivalent to the unrealised profit or loss on your open position. This is the difference between the value of the product when it was bought or sold and its current market price. Should your position move in your favour we may pay part or all of the Variation Margin to you by depositing the appropriate amount in the client money trust account.</p> <p>If you do not meet a Margin Call in a timely manner, positions will be reduced or closed out by XM.com without further reference to you in accordance with the terms of the Client Agreement - Terms and Conditions of Business. A Margin Call will not be considered to have been met unless and until cleared funds have been received in the nominated account or other acceptable payment has been received and (in any case) XM.com has updated the trading platform to reflect that.</p>	15 and 18
How are payments made for your account?	<p>You may transfer funds to us or otherwise pay us using any of the following methods:</p> <ul style="list-style-type: none"> • bank transfer; • electronic funds transfer (including electronic payment providers); • debit card; and • credit card. <p>The details are available by accessing our website at www.xm.com/au.</p> <p><i>In no circumstances does XM.com accept cash deposits.</i></p> <p>You will only be able to withdraw funds available to you after your Margin obligations have been met. All transfers from XM.com to you will be made back to the same source of payment (unless this source is no longer available (e.g., account has been closed) and we are provided with supporting evidence to approve the new account payment. All withdrawal requests are processed under the following priority procedure:</p> <ol style="list-style-type: none"> 1. Credit/Debit card withdrawals. Withdrawal requests submitted, regardless of chosen withdrawal method, will be processed via this channel to up to the total amount paid via this method. 2. Electronic Funds Transfer via electronic payment providers (i.e. E-wallet) withdrawals. 	3 and 18

	<p>E-wallet refunds/withdrawals will be processed only after withdrawals have first been paid to the source of any Credit/Debit card payments.</p> <p>3. Other Methods. All other methods such as bank wire withdrawals shall be used once payments made with the above two methods have been completely exhausted.</p> <p>Please note that when you choose to use payment methods other than a direct transfer into the client money trust account, you have the risk that your payment provider will settle your payment to us. If we credit your Account before full settlement and settlement is not completed, or is later challenged, then we may make appropriate adjustments to your Account to reflect that.</p>	
Do I pay or receive any financing charges?	<p>If you hold a Margin FX or CFD position overnight, your account may incur financing charge or maybe entitled to receive a corresponding interest payment (each called a rollover fee, whichever way it is paid), depending on the underlying interest rate differentials of the applicable currencies.</p>	14
What are the key risks of Margin FX and CFDs transactions?	<p>Investment in Margin FX or CFD products carries a high level of risk and returns are volatile. You should only ever trade with risk capital (i.e. money you can afford to lose), and you should obtain independent professional advice to carefully consider whether these products are appropriate for you in light of your knowledge, experience and financial needs and circumstances.</p> <p>Some of the key significant risks involved in Margin FX and/or CFD trading include (and should be read in detail at section 13 of this PDS):</p> <ul style="list-style-type: none"> • Credit Risk • Operational Risk • External Market forces • Currency Risk • Loss of Margin • Gapping • Variation Margins • Leverage • Liquidity • Online trading platform risk • Stop loss orders unavailable • Powers of XM.com • Reliance on third parties • Regulatory Risk 	13
What are the tax implications of Margin FX trading?	<p>Margin FX and CFD transactions may have tax implications. The taxation consequences of trading in Margin FX and CFDs can be complex and will differ for each individual's financial circumstances. We recommend that you obtain independent taxation and accounting advice in relation to the impact of Margin FX and CFDs transactions on your particular financial situation.</p>	22
XM.com's powers in	<p>XM.com has extensive powers under the terms of the</p>	3 and 20

the event of default	Client Agreement - Terms and Conditions of Business to take action in response to a range of default events. XM.com may terminate your account and close out all or any of your Margin FX or CFD positions, including cancelling any outstanding orders.	
How do I obtain further information?	You can contact our customer support as per contact details in this PDS.	2

5. ASIC Regulatory Guide 227 Disclosure Benchmarks

ASIC Regulatory Guide 227 states that ASIC expects Margin FX and CFD issuers to disclose certain information addressing a range of disclosure benchmarks. These benchmarks are required to be addressed on an 'if not, why not' basis, and are intended to assist retail investors to properly understand the complexity and risks of trading in OTC derivative products, particularly with regard to leverage.

There are 7 disclosure benchmarks required to be addressed. We are of the view that all have been met by XM.com except for the disclosure benchmark on initial funding. Please note that it is not necessary to comply with the disclosure benchmarks. It is only necessary to disclose whether we are complied with or, if not, why not. XM.com's compliance with each benchmark is addressed in the following table:

Benchmark description	How does XM.com meet this benchmark?	Relevant sections of the PDS which provide further relevant information
Client qualification	<p>XM.com maintains and applies a written policy which sets out the process for prospective investors before a trading account will be opened.</p> <p>Applicants who complete an account opening questionnaire may not be allowed to successfully register a trading account with XM.com if it is determined that trading in the products is not suitable for them and will be recommended to familiarise themselves with educational material and open and run a demo account before using a live trading account.</p> <p>Please note that we do not provide personal advice regarding the suitability of trading in these products or having an account for your personal financial circumstances and objectives.</p> <p>XM.com is required to determine the extent to which the product is consistent with the Client's likely objectives, financial situation and needs and whether he/she falls within the Target Market. Our questionnaire and processes are for our purposes only and may not be relied upon by the Client and it is not intended to provide personal advice.</p>	3,6,7,9 and 20
Opening funding	<p>XM.com does not meet this disclosure benchmark because it does not impose a limit of \$1,000.00 on initial funding by credit card.</p> <p>XM.com only permits clients to open an account and trade if it has first paid the Initial Margin by cleared funds (i.e. transfer of funds to the client money trust account) or by other approved payment method. No other form of payment will be accepted to open a trading account. While XM.com does not encourage trading using credit facilities, we realise the option provided is appreciated by Clients.</p>	3 and 18

	<p>You should be aware that trading on leverage with borrowed money exposes you to greater credit risks and cash flow risks. This includes the risk of 'double leverage'. Should you experience trading losses, there is a higher risk of not being able to hold sufficient funds to maintain the required Margin on an ongoing basis or the risk of entering into financial difficulty.</p> <p>XM.com will only act on funds that have cleared or other approved payment, so we recommend that you maintain sufficient Margin in your Account at all times to maintain your open positions.</p>	
Counterparty risk hedging	<p>XM.com maintains and applies a written policy to manage our exposure to market risk from Client positions. This includes strict risk management controls to monitor and manage (hedge) our trading exposures on an intraday basis, and includes a process for assessing our hedging counterparties (to ensure they are of sufficient financial standing, are licenced by a comparable regulator, and are of sound reputation, even if a related entity).</p> <p>A summary of our policy, which notes our current approved hedging counterparties, is available on our website (and may be updated from time to time as counterparties change).</p>	13
Counterparty risk financial resources	<p>XM.com maintains and applies a written policy to ensure the ongoing maintenance of adequate financial resources. We further maintain a detailed Risk Register, in which the key risks of our business are addressed and reviewed. Please note that we have processes in place to ensure we monitor our compliance with our licence conditions and financial obligations, as well as obtain a review and input from our independent external legal and accounting advisers. Further, our external independent auditor conducts an audit at the conclusion of every financial year, a copy of which can be provided to you upon written request. Please contact us in writing at the address/email provided in this PDS, should you wish to obtain a free-of-charge copy of our latest audited financial statements which may assist in your assessment of credit risk.</p> <p>Please note that we do not undertake stress testing in relation to unhedged market exposures, since we fully hedge all transactions with Clients, with our counterparty(ies).</p>	13
Client money	<p>XM.com maintains and applies a clear policy with regard to the use of client money. Please note that money you deposit into the client money trust account is co-mingled with other client money in that account. Such monies are only applied to meet Client obligations such as to pay for agreed fees etc., in line with the Corporations Act requirements or to pay the client.</p> <p>It is important to note that holding your money in one or more segregated accounts may not afford you absolute protection if XM.com becomes insolvent. To the extent XM.com withdraws monies for purposes to which it is entitled, and the remaining monies in the client money trust account are less than the full amount owed by XM.com to the Client, those Clients are exposed to the credit of XM.com and are indirectly exposed to</p>	21

	<p>the financial risks of our counterparties and organisations with whom XM.com deals. If the financial condition of XM.com or assets of our counterparties deteriorates, then Clients could suffer loss if XM.com does not pay in full the amount owing to the Clients.</p> <p>Client trades can only be placed if the Client has paid in cleared funds in the client money trust account or other acceptable payment has been received. If XM.com has accepted other payment (such as by credit card or an E-wallet provider), XM.com will in the ordinary course of the payment system make a corresponding payment into the client money trust account to reflect the payment and the Client's trading account. Accordingly, no scenario in the ordinary course is anticipated which would result in using one's client money in the client money trust account to cover the obligations of another Client.</p>	
Suspended or halted underlying assets	<p>An underlying financial product may be placed in a trading halt on the relevant exchange in various circumstances. Additionally, it may be suspended or delisted in certain circumstances. XM.com may, in its absolute discretion, cancel your order in respect of a CFD transaction which has not yet been opened, or close any open CFD, where the underlying financial product is the subject of a trading halt, suspension or delisting.</p> <p>When you place an order for a CFD or Margin FX contract with us, we will place a corresponding order to purchase or sell the relevant product to hedge our market risk. XM.com has the discretion as to when and if it will accept an order. Without limiting this discretion, it is likely that we will elect not to accept an order if our corresponding order cannot be filled.</p> <p>Accordingly, XM.com may at any time determine, in our absolute discretion, that we will not permit the entry into CFDs or Margin FX transactions over one or more underlying financial instruments.</p>	3 and 20
Margin calls	<p>XM.com maintains and applies a written policy detailing our margining practices. This outlines how we monitor Clients' accounts to ensure you receive as much notice as possible regarding Margin Calls, our rights regarding the levying of Margin Calls and closing out of positions when such calls are not met in a timely manner, and what factors we consider when exercising such close-out rights.</p> <p>All open positions are monitored on a real-time basis intraday, to ensure changing Margin requirements are identified in a timely manner.</p> <p>XM.com seeks to provide you with timely and sufficient notice of Margin Calls, to facilitate your ability to meet them. Please note that certain market conditions or events may trigger extreme volatility, requiring urgent funds to be applied to retain your open positions. Please note that all Margin Calls will be communicated to you via the trading platform and it is your obligation to ensure you are always available to receive and action such Margin Calls when you have open positions with us.</p> <p>We may immediately close any open positions in relation to</p>	13, 15 and 18

	<p>which margin calls have not been met, in order to protect you against exposure to further losses in the positions.</p> <p>XM.com follows a “no negative balance” policy which means that you cannot lose more than your contributed capital.</p> <p>We stress that trading in CFD and Margin FX products carries a high level of risk and returns are volatile. Trading in CFD and Margin FX involves a significant risk to your invested capital. Accordingly, you should only trade with risk capital i.e. money you can afford to lose, and which is excess to your financial needs/obligations.</p>	
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6. Nature Of Advice

XM.com is authorised to issue (buy and sell) Margin FX and CFD contracts and to give advice in relation to them.

The information in this PDS is for product disclosure only. To the extent it is general advice, it does not take into account your particular financial objectives, needs and circumstances. In general, we only provide general advice and the collection of information regarding your likely objectives, financial situation and needs is taken into consideration for the purposes only of the product design and distribution obligations under the Corporations Act 2001. We recommend that you obtain your own professional advice to ensure you fully understand the nature and risks of these products and determine their suitability for your situation.

We will not give personal advice on the suitability of the products or opening an account. If we agree to provide you with other personal advice which does take into account your personal financial needs, circumstances and objectives, then we will expressly confirm that with you and you will be issued with a Statement of Advice (“SoA”).

7. Product Design and Distribution arrangements

XM.com is required, when issuing and/or distributing financial products, to establish, implement and maintain policies and procedures and measures to ensure that the issuing and/or distribution of financial products comply with the relevant design and distribution obligations of the Corporations Act 2001, in a way that it is appropriate and proportionate, taking into account the nature of the financial product, the services(s), the needs and objectives of the Target Market for that financial product.

In general, the Target Market compatible with the financial products issued and/or distributed by the Company is the group of clients with the following objectives, financial situation and needs:

- a) Client qualification: retail clients only.
- b) Level of trading experience: Clients with prior experience in financial markets and experience in trading leveraged financial products such as CFDs, including demonstration accounts on Trading Point’s trading platform.
- c) Level of investment knowledge: Clients who have relevant industry experience, an academic degree in a financial related field, or have attended suitable relevant trading courses.
- d) Financial situation: Clients who have disposable income or capital to invest. Clients must be able to withstand losses from trading without causing distress or material impact to their living standards.

- e) Risk tolerance: CFDs are considered risky financial products, and therefore money used to trade in CFDs should be money that the Client is willing to lose since there is a risk of losing some or all of their capital.
- f) Investment objectives and needs: In most cases, the investment objective is of speculative nature with a short to medium-term investment horizon, whilst accepting the risks associated with trading.

8. Margin FX Contracts Offered By XM.com

Please note: this section applies to Margin FXs ONLY

A Margin FX Contract is an over-the-counter derivative between you and XM.com in relation to an agreed currency pair. When you propose to enter into any Margin FX Contract you will be asked to nominate a quantity and the two currencies to be exchanged. In every Margin FX Contract there are two currencies as follows:

1 fixed unit of a currency = X variable units of another currency.

The fixed currency is called the “base” currency and the variable currency is called the “term” currency. Together, these are known as the currency pair. The currencies involved in any Margin FX Contract must be currencies which are offered by XM.com.

The quotes provided by XM.com on its trading platform to you are the same as quoted to us by our counterparty, a Trading Point Group entity, related to XM.com.

A foreign exchange quote e.g. AUD/USD "0.7345 / 0.7355" represents the bid/ask spread (in this case for AUD/USD). This quote means that you can: (a) buy Australian dollars at 0.7355 against the US dollar; and/or (b) sell Australian Dollars at 0.7345 against the US dollar.

There is always a long (bought) and a short (sold) side to a transaction, which means that you are speculating on the prospect of one of the currencies strengthening and one of them weakening.

Your Margin FX Contract may be rolled until you decide to close out the transaction or it reaches the maturity date, provided that you continue to meet your margin requirements and maintain the required account balance (and we do not close it earlier).

A full list of Margin FX contracts provided by XM.com is available on our website. All major currency pairs are available; however, some of the minor or more exotic currency pairs may not be able to be traded with XM.com. Please check our website or the trading platform for up-to-date information regarding which currency pairs are currently available.

XM.com's Margin FX products do not result in the physical delivery of the currency but are cash adjusted or closed by the Client taking an offsetting opposite position, **i.e. there is not a physical exchange of one currency for another**. Margin FX products are derivatives, not foreign exchange contracts. Positions will always be closed and the Client's account will be either credited or debited according to the profit or loss of the trade.

9. Purpose Of Trading Margin Fx Contracts

Please note: this section applies to Margin FXs ONLY

People who trade in Margin FX contracts may do so for a variety of reasons. Some trade for **speculation**, that is, with a view to profiting from fluctuations in the price or value of the currencies. For example, Margin FX traders may be short-term investors who are looking to profit from intra-day and overnight market movements in the underlying currency. Margin FX traders may have no need to sell or purchase the underlying currency themselves but may instead be looking to profit from market movements in the currency concerned.

Others trade Margin FX to **hedge** their exposures to the underlying currency. Foreign exchange exposures may arise from a number of different activities.

Companies or individuals, that are dependent on overseas trade, are exposed to currency risk. This can be to purchase (or sell) physical commodities (such as machinery) or even financial products (such as investing in securities listed on an international stock exchange). An exporter who sells its product priced in foreign currency has the risk that if the value of that foreign currency falls then the revenues in the exporter's home currency will be lower. An importer who buys goods priced in foreign currency has the risk that the foreign currency will appreciate thereby making the cost, in local currency terms, greater than expected.

A person going on a holiday to another country has the risk that if that country's currency appreciates against their own, their trip will be more expensive.

In each of the above examples, the person or the company is exposed to currency risk.

Currency risk is the risk that arises from international business which may be adversely affected by fluctuations in exchange rates. XM.com offers its Clients the facility to buy or sell foreign exchange-based OTC financial products to manage this risk.

This enables Clients to protect themselves against adverse currency swings, yet secure enhanced exchange rates when offered, thereby protecting the profit margin made by the corporation during the business transaction relating to the foreign currency trade or protecting the cost of the Client's international holiday in the case of the traveller.

Note: The risk of loss in trading in derivatives and/or leveraged products can be substantial. A Client should carefully consider whether trading such products is appropriate for them in light of their financial circumstances and objectives.

Please refer to Section 17 for worked examples.

10. CFD Contracts Offered By XM.com

Please note: this section applies to CFDs ONLY

A contract for difference (**CFD**) is an OTC derivative product comprising an agreement under which one party is entitled to be paid an amount of money (profit), or has to pay an amount of money (loss), resulting from movements in the price or value of an underlying instrument (without actually owning that underlying instrument). The underlying instrument could be a share or an index. This transaction ends by being closed out with an opposing transaction. The difference between the two gives a net amount payable as between you and us. This amount is posted to your account.

The CFD is a contract between you and XM.com, which means both parties act as principals to the transaction and have a direct credit exposure to each other. You do not trade through an Exchange and you are not afforded the protections normally associated with exchange-traded derivatives.

Prices quoted for CFDs can only be traded during the open market hours on which the underlying instrument is traded. In addition, XM.com does not typically quote a price for a CFD on a particular underlying instrument, if that underlying instrument is illiquid or in suspension.

CFDs may have no fixed expiry dates, are not standardised and have no fixed size, but are subject to minimum contract values. As a party to a CFD, you can be paid an amount of money (profit) or be required to pay an amount of money (loss) arising from movements in the price or value of the underlying instrument. Therefore, CFDs are cash adjusted between you and XM.com. CFDs will always be closed out with your account either credited or debited according to the profit or loss on closing the trade. Trading a CFD does not result in the ownership by you of any actual underlying instrument and you will have none of the rights as an owner in the underlying instrument.

Please refer to Section 18 for worked examples.

XM.com offers CFDs in relation to commodities, equity indices, stocks and cryptocurrencies. Please refer to the information provided on our website and/or trading platform for a full list of available CFD contracts.

Are CFDs appropriate for you?

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. You must carefully consider whether CFDs are appropriate for you in light of your financial circumstances, experience and investment objectives. In making this decision you should be aware that you could both gain and lose.

You risk losing some or all the funds you deposit or pay to XM.com to establish or maintain a CFD position due to the following factors:

- (a) If the market moves against your position or your position is rolled over into a new contract with a differing value you may be required, at short notice, to deposit with XM.com further money as payment for Margin in order to maintain your CFD position. Those additional funds may be substantial. If you fail to provide those additional funds within the required time your CFD position may be closed (at a loss to you).
- (b) CFDs can rapidly decline in value or have no value, so when you close them out, your account is debited with the loss.
- (c) Your Account is netted for all your Transactions. This both helps you but also exposes all of your "profits" to the "losses".

XM.com follows a 'no negative balance' policy which means that you cannot lose more than your contributions paid to or held by XM.com.

11. Purpose Of Trading CFD Contracts

Please note: this section applies to CFDs ONLY

People who trade in CFD contracts may do so for a variety of reasons. Some trade for **speculation**, that is, with a view to profiting from fluctuations in the price or value of the underlying instrument. For example, CFD traders may be short-term investors who are looking to profit from intra-day and overnight market movements in the underlying instrument. CFD traders may have no need to sell or purchase the underlying instrument themselves but may instead be looking to profit from market movements in the instrument concerned.

Others trade CFD to **hedge** their exposures to the underlying instrument.

12. Margin FX And CFD Product Features

XM.com trading as principal

XM.com will regularly state, via the electronic trading platform, the price at which it (as principal) is prepared to deal with you. This is known as being a 'market maker'. When dealing in Margin FX and CFDs, as with all OTC derivatives, XM.com is the issuer and a market maker, not a broker. Accordingly, each transaction agreed and entered into with you will be entered into as principal, not as agent. Should you decide to transact with XM.com then XM.com will enter into a legally binding transaction with you (as principal) i.e. it will be the counterparty to the transaction. Each Transaction with you is part of the entire agreement made between you and XM.com. Although each transaction is closed out to give a net amount payable (profit or loss), those amounts are ported to your account so that, at any time, there is a single account balance.

How to get started

You must follow the below steps to effect transactions with XM.com:

- a. Read the FSG and PDS;
- b. Read, acknowledge and accept the Terms and Conditions contained on the website at www.xm.com/au;
- c. Set up an account with XM.com in accordance with the steps contained on the website at www.xm.com/au;
- d. To begin executing transactions using the trading platform or by telephone, your account must be validated and funded;
- e. Based on the quotations, you will enter into a transaction with XM.com using the trading platform. If the trading platform is unavailable due to a systems disruption, then all orders and instructions may be given to us via the telephone;
- f. You will receive an electronic confirmation from XM.com (which gives details of the transaction).

You can access details of your account any time online via the trading platform. XM.com may limit the size of your open positions, whether on a net or gross basis under any appropriate circumstances as determined by XM.com. XM.com also has the right to refuse any request made by you to place an order to establish a position at any time at XM.com's discretion without having to give you notice.

Account types offered by XM.com

XM.com offers four (4) types of accounts (i.e., micro, standard, Ultra Low micro and Ultra Low standard). XM.com charges commission-style fees only for transactions made on already existing Zero accounts (i.e., XM.com ceased the offering of Zero accounts). Please see below the aforesaid types of accounts:

- A. Micro account:** With this type of account, 1 lot is equivalent to 1,000 units of the base currency. Information regarding the required minimum deposit amount, bid/ask spreads, available base currencies, leverage and minimum trade volume, as specified from time to time by XM.com, as well as any restrictions are available on our website: <http://www.xm.com/au/account-types>.

Example 1:

Base currency: USD

Order type: Buy

Contract size: 1 Lot (1,000 units)

Current bid/ask price: 1.12010/1.12030

Leverage: 1:30

Commission/Fees: No

Imagine that the base currency of your micro trading account is USD and you want to place a buy order. Supposing that the current bid/ask for EUR/USD is: 1.12010/1.12030, your buy order would be executed (i.e., opened) at the ask price (i.e. 1.12030). The following outlines how profits and losses arise (before tax) and how rollover fees apply.

- (a) Supposing that you left the position open and you decided to close it after 3 hours when the bid/ask price was 1.12040/1.12060, then your order to close would be executed at the bid price (i.e. 1.12040).

Based on the above your profit will be $(1.12040 - 1.12030) * 1,000 = \0.1

- (b) Supposing that you left the position open and you decided to close it after 6 hours when the bid/ask price was 1.12000/1.12020, then your order to close would be executed at the bid price (i.e. 1.12000).

Based on the above your loss will be $(1.12000 - 1.12030) * 1,000 = -\0.3

- (c) Supposing that you left your position open overnight on a Monday and decided to close it on Tuesday morning when the bid/ask price was 1.1198/1.11200, then your order to close would be executed at the bid price (i.e. 1.1198).

Based on the above, your loss (before rollover fees) will be $(1.1198 - 1.12030) * 1,000 = -\0.50

Due to the fact that you have kept the position open overnight on Tuesday and supposing that the underlying interest rate differentials for the two currencies (also referred to as the "swap value") for your EUR/USD position is, for example, -5 points you will be charged a rollover fee (per day) of \$0.05 ($0.00005 * 1,000 = -\0.05).

Thus, your loss including rollover fees (for swap values) will be $-\$0.50 - \$0.05 = -\$0.55$

- (d) Supposing that you left your position open overnight on a Wednesday and decided to close it on Thursday morning when the bid/ask price was 1.12080/1.12100, then your position would close at the bid price (i.e., 1.12080).

Based on the above, your profit (before rollover fees) will be $(1.12080 - 1.12030) * 1,000 = \0.50

Due to the fact that you have kept the position open overnight on a Wednesday, and supposing that the swap value for your EUR/USD position is, for example, -5 points you will be charged a rollover fee of \$0.15 ($3 * 0.00005 * 1000 = -\0.15).

Based on the above, your profit including rollover fees will be $\$0.50 - \$0.15 = \$0.35$

Note: XM.com applies a 3-day rollover strategy on Wednesdays, meaning that on Wednesday night rollover fees are charged/credited at triple rate.

- B. Standard account:** With this type of account, 1 lot is equivalent to 100,000 units of the base currency. Information regarding the required minimum deposit amount, bid/ask spreads, available base currencies, leverage and minimum trade volume, as specified from time to time by XM.com, as well as any restrictions are available on our website: <http://www.xm.com/au/account-types>.

Example 2:

Base currency: USD

Order type: Buy

Contract size: 1 Lot (100,000 units)

Current bid/ask price: 1.12010/1.12030

Leverage: 1:30

Commission/Fees: No

Imagine that the base currency of your standard trading account is USD and you want to open a position. Supposing that the current bid/ask for EUR/USD is: 1.12010/1.12030, then your buy order would be executed at the ask price (i.e. 1.12030).

- (a) Supposing that you left the position open and you decided to close it after 2 hours when the bid/ask price was 1.12040/1.12060, then your position would close at the bid price (i.e. 1.12040).

Based on the above your profit will be $(1.12040 - 1.12030) * 100,000 = \10

- (b) Supposing that you left the position open and you decided to close it after 6 hours when the bid/ask price was 1.12020/1.12040, then your position would close at the bid price (i.e. 1.12020).

Based on the above your loss will be $(1.12020 - 1.12030) * 100,000 = -\10

- (c) Supposing that you left your position open overnight on a Monday and decided to close it on Tuesday morning when the bid/ask price was 1.12080/1.12100, then your position would close at the bid price (i.e. 1.12080).

Based on the above, your profit (before rollover fees) will be $(1.12080 - 1.12030) * 100,000 = \50

Due to the fact that you have kept the position open overnight on Tuesday and supposing that the swap value for your EUR/USD position is, for example, -5 points, then you will be charged a rollover fee of \$5 ($0.00005 * 100,000 = -\5).

Based on the above, your profit (including rollover fees) will be $\$50 - \$5 = \$45$.

- (d) Supposing that you left your position open overnight on a Wednesday and decided to close it on Thursday morning when the bid/ask price was 1.12080/1.12100, then your position would close at the bid price (i.e. 1.12080).

Based on the above, your profit (before rollover fees) will be $(1.12080 - 1.12030) * 100,000 = \50

Due to the fact that you have kept the position open overnight on a Wednesday and supposing that the swap value for your EUR/USD position is, for example, -5 points, then you will be charged a rollover fee of \$15 ($3 * 0.00005 * 100,000 = -\15).

Based on the above, your profit (including rollover fees) will be $\$50 - \$15 = \$35$

Note: XM.com applies a 3-day rollover strategy on Wednesdays, meaning that on Wednesday night rollover fees are charged/credited at triple rate.

- C. Zero account (available only for existing Zero account holders):** With this type of account, 1 lot is equivalent to 100,000 units of the base currency. It includes fees by way of a commission on each transaction (opening and closing) which are deducted from the account when the transaction is made. Information regarding the required minimum deposit amount, bid/ask spreads, available base currencies, available instruments, leverage and minimum trade volume, as specified from time to time by XM.com, as well as any restrictions are available on our website: <http://www.xm.com/au/account-types>.

Example 3:

Base currency: USD

Order type: Buy

Contract size: 1 Lot (100,000 units)

Current bid/ask price: 1.12010/1.12020

Leverage: 1:30

Commission: Commission \$5 per \$100,000

Imagine that the base currency of your zero trading account is USD and you want to open a position. Supposing that the current bid/ask for EUR/USD is: 1.12010/1.12020, then your buy order would be executed at the ask price (i.e. 1.12020).

- (a) Supposing that you left the position open and decided to close it after 5 hours when the bid/ask price was 1.12050/1.12060, then your position would close at the bid price (i.e. 1.12050).

Based on the above, your profit will be $(1.12050 - 1.12020) * 100,000 = \30

Since you have traded 1 lot (100,000 units of your base currency), \$10 commission will be deducted from the balance in your trading account as soon as the order is executed (so your position is opened) (\$5 for the opening of the position and \$5 for the closing of the position). Assuming that you had \$50,000 balance in your trading account, after the closing of the order your balance would be shown as \$50,020 ($\$50,000 + \$30 - \$10 = \$50,020$) since the commission would be also deducted.

- (b) Supposing that you left the position open and decided to close it after 10 hours when the bid/ask price was 1.11980/1.11990, then your position would close at the bid price (i.e. 1.11980).

Based on the above your loss will be $(1.11980 - 1.12020) * 100,000 = \-40

Since you have traded 1 lot (100,000 units of your base currency), \$10 commission will be deducted from the balance in your trading account as soon as the position is opened (\$5 for the opening of the position and \$5 for the closing of the position). Assuming that you had \$50,000 balance in your trading account, after the closing of the position your balance would be shown as \$49,950 ($\$50,000 - \$40 - \$10 = \$49,950$) since the commission would be also deducted.

- (c) Supposing that you left the position overnight opened on a Monday and decided to close it on Tuesday when the bid/ask price was 1.12050/1.12060, then your position would close at the bid price (i.e. 1.12050).

Based on the above, your profit excluding rollover fees and commissions will be $(1.12050 - 1.12020) * 100,000 = \30 .

Due to the fact that you have kept the position open overnight on Tuesday, and supposing that the swap value for your EUR/USD position is, for example, -5 points, then you will be charged a rollover fee of \$5 ($0.00005 * 100,000 = -\5).

Also, since you have traded 1 lot (100,000 units of your base currency), \$10 commission will be deducted from the balance in your trading account as soon as the position is opened (\$5 for the opening of the position and \$5 for the closing of the position). Assuming that you had \$50,000 balance in your trading account, after the closing of the position your balance would be shown as \$50,015 ($\$50,000 + \$30 - \$10 - \$5 = \$50,015$) since the rollover fees and commission would be also deducted.

- (d) Supposing that you left your position open overnight on a Wednesday and decided to close it on Thursday morning when the bid/ask price was 1.12050/1.12060, then your position would close at the bid price (i.e. 1.12050).

Based on the above, your profit excluding rollover fees and commissions will be $(1.12050 - 1.12020) * 100,000 = \30 .

Due to the fact that you have kept the position open overnight on a Wednesday, and supposing that the swap value for your EUR/USD buy position is, for example, -5 points you will be charged a rollover fee of \$15 ($3 * 0.00005 * 100,000 = -\15).

Also, since you have traded 1 lot (100,000 units of your base currency), \$10 commission will be deducted from the balance in your trading account as soon as the position is opened (\$5 for the opening of the position and \$5 for the closing of the position). Assuming that you had \$50,000 balance in your trading account, after the closing of the position your balance would be shown as

\$50,005 (\$50,000 + \$30 - \$10 - \$15 = \$50,005) since the commission and swaps would be also deducted.

Note: XM.com applies a 3-day rollover strategy on Wednesdays, meaning that on Wednesday night rollover fees are charged/credited at triple rate.

- D. Ultra-Low micro account:** With this type of account, 1 lot is equivalent to 1,000 units of the base currency. Information regarding the required minimum deposit amount, bid/ask spreads, available base currencies, leverage and minimum trade volume, as specified from time to time by XM.com, as well as any restrictions are available on our website: <http://www.xm.com/au/account-types>.

Example 4:

Base currency: USD

Order type: Buy

Contract size: 1 Lot (1,000 units)

Current bid/ask price: 1.14066/1.14074

Leverage: 1:30

Commission/Fees: No

Imagine that the base currency of your ultra-low micro trading account is USD and you want to place a buy order. Supposing that the current bid/ask for EUR/USD is: 1.14066/1.14074, your buy order would be executed (i.e. opened) at the ask price (i.e. 1.14074). The following outlines how profits and losses arise (before tax) and how rollover fees apply.

- (a) Supposing that you left the position open and you decided to close it after 3 hours when the bid/ask price was 1.14084/1.14092, then your buy order to close would be executed at the bid price (i.e. 1.14084).

Based on the above your profit will be $(1.14084 - 1.14074) * 1,000 = \0.1

- (b) Supposing that you left the position open and you decided to close it after 6 hours when the bid/ask price was 1.14054/1.14062, then your order to close would be executed at the bid price (i.e. 1.14054).

Based on the above your loss will be $(1.14054 - 1.14074) * 1,000 = -\0.2

- (c) Supposing that you left your position open overnight on a Monday and decided to close it on Tuesday morning when the bid/ask price was 1.14044/1.14052, then your order to close would be executed at the bid price (i.e., 1.14044).

Based on the above, your loss (before rollover fees) will be $(1.14044 - 1.14074) * 1,000 = -\0.30

Due to the fact that you have kept the position open overnight on a Tuesday and supposing that the swap value for your EUR/USD position is, for example, -5 points you will be charged a rollover fee of \$0.05 ($0.00005 * 1,000 = -\0.05).

Thus, your loss including rollover fees (for swap values) will be $-\$0.30 - \$0.05 = -\$0.35$

- (d) Supposing that you left your position open overnight on a Wednesday and decided to close it on Thursday morning when the bid/ask price was 1.14194/1.14202, then your position would close at the bid price (i.e., 1.14194).

Based on the above, your profit (before rollover fees) will be $(1.14194 - 1.14074) * 1,000 = \1.2

Due to the fact that you have kept the position open overnight on a Wednesday, and supposing that the swap value for your EUR/USD position is, for example, -5 points you will be charged a rollover fee of \$0.15 ($3 * 0.00005 * 1000 = -\0.15).

Based on the above, your profit including rollover fees will be $\$1.2 - \$0.15 = \$1.05$

Note: XM.com applies a 3-day rollover strategy on Wednesdays, meaning that on Wednesday night rollover fees are charged/credited at triple rate.

- E. Ultra-Low standard account:** With this type of account, 1 lot is equivalent to 100,000 units of the base currency. Information regarding the required minimum deposit amount, bid/ask spreads, available base currencies, leverage and minimum trade volume, as specified from time to time by XM.com, as well as any restrictions are available on our website: <http://www.xm.com/au/account-types>.

Example 5:

Base currency: USD

Order type: Buy

Contract size: 1 Lot (100,000 units)

Current bid/ask price: 1.14066/1.14074

Leverage: 1:30

Commission/Fees: No

Imagine that the base currency of your ultra-low standard trading account is USD and you want to place a buy order. Supposing that the current bid/ask for EUR/USD is: 1.14066/1.14074, then your buy order would be executed at the ask price (i.e. 1.14074).

- (a) Supposing that you left the position open and you decided to close it after 2 hours when the bid/ask price was 1.14084/1.14092, then your position would close at the bid price (i.e. 1.14084).

Based on the above your profit will be $(1.14084 - 1.14074) * 100,000 = \10

- (b) Supposing that you left the position open and you decided to close it after 6 hours when the bid/ask price was 1.14054/1.14062, then your position would close at the bid price (i.e. 1.14054).

Based on the above your loss will be $(1.14054 - 1.14074) * 100,000 = -\20

- (c) Supposing that you left your position open overnight on a Monday and decided to close it on Tuesday morning when the bid/ask price was 1.14044/1.14052, then your position would close at the bid price (i.e. 1.14044).

Based on the above, your loss (before rollover fees) will be $(1.14044 - 1.14074) * 100,000 = -\30

Due to the fact that you have kept the order open overnight on Tuesday and supposing that the swap value for your EUR/USD position is, for example, -5 points, then you will be charged a rollover fee of \$5 ($0.00005 * 100,000 = -\5).

Based on the above, your loss including swaps will be $-\$30 - \$5 = \$35$.

- (d) Supposing that you left your position open overnight on a Wednesday and decided to close it on Thursday morning when the bid/ask price was 1.14194/1.14202, then your position would close at the bid price (i.e., 1.14194).

Based on the above, your profit (before rollover fees) will be $(1.14194 - 1.14074) * 100,000 = \120 .

Due to the fact that you have kept the order open overnight on Wednesday and supposing that the swap value for your EUR/USD position is, for example, -5 points, then you will be charged a rollover fee of \$15 ($3 * 0.00005 * 100,000 = -\15).

Based on the above, your profit including swaps will be $\$120 - \$15 = \$105$

Note: XM.com applies a 3-day rollover strategy on Wednesdays, meaning that on Wednesday night rollover fees are charged/credited at triple rate.

Long & Short Positions

You can open both long and short Margin FX and CFD positions with XM.com. Should you open a long position, your intention would be to profit from a rise in the price of the underlying instrument, and you would suffer a loss should the price of the underlying instrument fall. Conversely, should you open a short position, your intention would be to profit from a fall in the price of the underlying instrument, and you would suffer a loss should the price of the underlying instrument rise.

In order to close an open, long or short, position, you would open an equivalent offsetting position. The closure of a position will generally result in a profit or loss for that position being realised in your account. Should you wish to close only part of your open long or short position you can do so by entering into an equivalent offsetting position of a lesser amount than your current open position.

Many Margin FX and CFDs do not have an expiry date. They remain open until they are closed in accordance with the terms of the Terms and Conditions. A Margin FX or CFD position can only be closed by contacting XM.com. To close a Margin FX or CFD position, you must access the electronic trading platform to determine the current market price for the underlying instrument, with the view to close the position (or part of it). XM.com will close your open position based on the current bid/ask price.

You should note that XM.com is not obliged to accept your orders. Typically, this would occur should you exceed the limits imposed on your account by XM.com, or where there are insufficient funds in your account to meet your margin obligations. Occasionally there are market disruptions and we suspend availability of further trading in order to meet our licensee obligations or to maintain an orderly market. There may be other occasions when you cannot trade. If you cannot trade, including to close out open positions, you can suffer significant losses or lose the potential to profit.

When trading XM.com products you should always be aware of the risks and benefits as disclosed in this PDS.

Trading Hours

Trading hours for CFDs depend on the relevant underlying market's hours of operations. Trading hours may also be affected by public holidays for the local market. You will find the details of various trading hours for CFDs on our website or by calling our customer support.

This means that you are able to view live prices and place live orders during these hours. Outside these hours, you may still access the trading platform and view your account, market information, research and our other services. There will not be any live prices quoted and thus, you will not be able to enter into transactions. Any changes to operating hours will be displayed on the website.

If the trading platform is unavailable due to a systems disruption, then the services will be provided by us via the telephone.

Electronic Platform

XM.com provides an electronic trading platform which enables clients to trade in our products i.e. clients are provided direct access to Margin FX and CFD rates over the internet. The terms of use applicable to using our electronic trading platform, are detailed in the Terms and Conditions which you are required to agree to prior to trading. Some of the key provisions include the following:

- XM.com may, in its sole discretion, institute or change any policies at any time relating to the use of our electronic trading platform. Any such changes will be advised to you directly via our electronic trading platform, email or our website.
- Clients are granted a non-exclusive and non-transferable licence to use the electronic trading platform subject to the terms of the Terms and Conditions.
- Clients may only use our electronic trading platform for the clients' internal business or investment purposes.
- Clients may not permit any third party to copy, use, modify, disassemble, translate or convert in connection with use of our electronic trading platform or distribute the platform to any third party.
- Our electronic trading platform may be used to transmit, receive and confirm the execution of orders, (subject to market conditions and the applicable rules and regulations).

- XM.com consents to the Client's access and use in reliance upon the Client having adopted procedures to prevent unauthorised access to and use of the electronic trading platform, in any event, the Client bears full responsibility for trades executed through the electronic trading platform by any person using the Client's access.
- If a Client is granted access to the electronic trading platform, the Client acknowledges and warrants that it has received a password granting it access to the electronic trading platform; is the sole controller of the password provided; and accepts full responsibility for any transaction that occurs on an account opened, held or accessed through the use of the password provided to the Client by XM.com.
- Clients accept full responsibility for the use of the electronic trading platform and for any orders transmitted through the electronic trading platform for the Client's account. XM.com must be notified immediately should a Client become aware of any unauthorised use, loss or theft of the Client's, username, password or account numbers; or inaccurate information with respect to the content of statements including, cash balances, open positions or transaction history.
- The electronic trading platform is provided on an "as-is" basis and XM.com makes no express or implied representations or warranties to the Client regarding its operation or usability.
- XM.com does not warrant that access to or use of the electronic trading platform will be uninterrupted or error-free, or that the service will meet any particular criteria with respect to its performance or quality nor do we make any warranty as to the timeliness, sequence, accuracy, completeness, reliability or content of any information, service or transaction provided through the use of the electronic trading platform or the results obtained from its use. XM.com expressly disclaims, to the extent permitted by law, all implied warranties, including without limitation warranties of merchantability, title, fitness for a particular purpose, non-infringement, compatibility, security or accuracy.
- Under no circumstances, including negligence, will XM.com be liable for any direct, indirect, incidental, special or consequential damages including, without limitation, business interruption or loss of profits that may result from the use of, unavailability of, or inability to use the electronic trading platform (to the extent permitted by law).
- Clients agree that the use of the electronic trading platform is at the Client's risk and the Client assumes full responsibility for any losses resulting from the use of or materials obtained via the electronic trading platform.
- Please note that stop-outs (automatic closing of a position when Margin Calls have not been met) are implemented on our electronic trading platform at the sole discretion of XM.com, and no liability for the direct or indirect consequences of them (or non-use of them) is accepted by XM.com in relation to them. Unless notified otherwise for all types of accounts offered by XM.com the stop-out level is equal to 50% of the Margin level required to maintain open positions.

Pricing

XM.com prices will be the same level (or price) at which it is offered by its counterparty (i.e. all transactions where XM.com is the market maker will be entered into on a "matched book" basis or "back to back" basis). Each transaction agreed and entered into with a client as principal will be, at the same time, 'offset or matched' with a similar trade with our counterparty.

Our counterparty will be a related entity. The pricing we receive from our counterparty reflects the pricing available in the market to our counterparty.

When you trade Margin FX or CFD products you are normally quoted a spot price. This means that if you take no further steps, your trade will be automatically rolled over after one (1) Business Day unless you close the position.

When you trade, you may trade a combination of two (2) currencies. For example, you will buy US dollars and sell Euro, or buy Euro and sell Japanese yen, or any other combination of widely traded currencies. There is always a long (bought) and a short (sold) side to a trade, which means that you are speculating on the prospect of one of the currencies strengthening and one of them weakening.

When trading US dollars against Japanese yen, the normal way to trade is opening positions equivalent to buying or selling a fixed amount of US dollars, i.e. USD 1,000,000. When closing the position, the opposite trade is done, again USD 1,000,000. The profit or loss will be apparent in the change of the

amount of yen credited and debited for the two (2) transactions. In other words, your profit or loss will be denominated in Japanese yen that is known as the price currency. As part of our service, XM.com will automatically exchange your profits and losses into your base currency if it is required.

This way of trading is different from the exchange traded derivative markets (futures markets), for example, where the Euro and yen are the fixed trade currencies, resulting in a US dollar denominated profit or loss. You can, however, also choose to trade in this reciprocal manner in foreign exchange markets but it is not the norm.

13. Key Benefits Of Trading Margin FX And CFD Contracts

Margin FX and CFD products can provide important risk management tools for those who manage foreign currency exposures. The significant benefits of using Margin FX or CFD products as risk management tools are to **protect your exchange rate and, for Margin FX, provide cash flow certainty**. Other benefits of using these products apply equally for a Client as a risk management tool or for the Client who is a trader or speculator. The benefits of trading Margin FX and CFD contracts are described in the table below.

Benefit	Explanation	Margin FX	CFDs
Protect an Exchange Rate	XM.com provides an electronic trading platform, enabling Clients to trade in over-the-counter (as opposed to exchange-traded) derivatives such as Margin FX or CFD contracts over the internet. This facility provides Clients with direct access to our system to enable them to buy and sell currency rates to protect themselves against adverse market swings. XM.com also offers Clients a way of managing volatility by using stop loss orders that enable Clients to protect themselves against adverse market swings yet secure enhanced market rates when offered. Clients can eliminate downside risk by the use of stop loss orders if the exchange rate reaches a particular level. In addition, Clients may also use limit orders which allow Clients the opportunity to benefit from favourable upside market movements.	✓	✓
Provide Cash Flow Certainty	By agreeing a rate now for a time in the future you will determine the exact cost of that currency, thereby giving certainty over the flow of funds. Any profit (or loss) you make using the XM.com product would be offset against the higher (or lower) price you physically have to pay for the foreign currency. In addition to using Margin FX products as a risk management tool, Clients can benefit by using Margin FX products offered by XM.com to speculate on changing exchange rate movements. You may take a view of a particular market or the markets in general and therefore invest in our products according to this belief in anticipation of making a profit.	✓	✗
Leverage	Margin FX and CFDs are leveraged investments and trading instruments. While leverage can magnify losses, it can also magnify profits. Leverage allows Clients to take larger exposures, to more markets, than cash investors using the same capital base. Leverage also means that Clients can employ more investment and trading strategies than 'long only' investors. These include trading 'pairs', trading across asset classes, going short and taking exposures around short term events.	✓	✓
Trade in Small Amounts	The electronic trading platform enables you to make transactions in small amounts. You can start using the electronic trading platform by depositing as little as AUD \$7 and start trading. For the "Ultra Low" account types the minimum deposit is \$50 (or currency	✓	✓

	equivalent). When trading in a Margin FX or CFD contract offered by XM.com you may deposit the sum that suits you, or the amount which is in line with the amount you are willing to risk.		
Access to the Foreign Exchange Markets at Any Time	When using XM.com you gain access to a highly advanced and multi-levelled system which is active and provides you with the opportunity to trade 24 hours a day on any global market which is open for trading. This gives you the opportunity to react instantly to breaking news that is affecting the markets. It should be noted, however, that trading in a particular contract may be restricted to hours when liquidity is available for that contract.	✓	✗
Profit Potential in falling Markets	Since the market is constantly moving, there are always trading opportunities, whether a currency is strengthening or weakening in relation to another currency.	✓	✓
Hedging	CFDs and Margin FX contracts can be used to hedge investments and reduce existing market risk. Clients can hedge directly, on a portfolio basis, or to cover specific risks of investments.	✓	✓
Lower Costs	Generally, CFD exposures come at lower transaction costs than the same exposure taken in the underlying instruments. Clients pay no fees to XM.com to open or maintain a CFD trading account.	✗	✓
Superior Liquidity	The foreign exchange market is so liquid that there are always buyers and sellers wishing to trade. The liquidity of this market, particularly with respect to that of the major currencies, helps ensure price stability and low spreads. The liquidity comes mainly from large and smaller banks that provide liquidity to investors, companies, institutions and other currency market players.	✓	✗
Real Time Streaming Quotes	The electronic trading platform uses the latest highly sophisticated technologies in order to offer you up-to-the-minute quotes. You may check your accounts and positions in real time and you may do so 24 hours a day (in most circumstances) on any global market which is open for trading and make a trade based on real-time information. XM.com believes it is highly important for you to be able to control your account whenever you wish and base your deals on real-time information.	✓	✓

14. Significant Risks Of Trading Margin FX And CFD Contracts

Trading in Margin FX and CFD products carries a high level of risk and returns (or losses) are volatile. Trading in CFD and Margin FX involves a significant risk to your invested capital. Accordingly, you should only trade with risk capital (i.e., money you can afford to lose, and which is excess to your financial needs/obligations). XM.com follows a 'no negative balance' policy which means that you cannot lose more than your invested capital. You should obtain independent professional advice and carefully consider whether Margin FX or CFD products are appropriate for you in light of your knowledge, experience and investment objectives, financial needs and circumstances.

It is also important that you read and understand the Client Agreement - Terms and Conditions of Business which governs our business relationship along with this PDS before opening an account and entering into any Margin FX or CFD transactions.

The key significant risks involved in Margin FX and CFD trading include, the following:

Macro-economic Risk - the general state of the Australian and international economies as well as changes in taxation policy, monetary policy, interest rates and statutory requirements are some of the factors which may influence the progress of currency markets.

Market Risk - This is the risk that the markets move in a direction not anticipated. External market forces can cause markets and prices to change quickly, such forces include changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the

marketplace. Since the price of your position is based on an underlying market, these factors may affect your position and our ability to execute, settle or close out transactions on your behalf.

Gapping - In fast moving or illiquid markets “gapping” may occur. Gapping occurs when market prices do not follow a “smooth” or continuous trend and are typically caused by external factors such as world, political, economic and corporate related events. Should gapping occur in the underlying market on which your product is based, you may not be able to close out your position or open a new position at the price at which you have placed your order. Further, in instances of “gapping” any conditional orders opened on your account will be filled at the next best available price which may be substantially different from the price selected when entering your conditional order.

Variation Margins - Should the price of the underlying market on which your product is based move against you, you may receive a Margin Call from us and, at short notice, be required to deposit a Variation Margin into your account to maintain your position. Should we make a Margin Call which may be substantial, you must deposit the amount of funds that we request into your account immediately. If you fail to make Margin payments, we may reduce or close all your open positions without further notice and you will be liable for any shortfall (subject to the “no negative balance” policy). Positions are marked-to-market on a daily basis, with account balance adjustments for positions being settled daily to account for market movements (that affect the value of your positions). You must be in a position to fund such requirements at all times. Initial and Variation Margin must be paid immediately after the call. The general policy of XM.com is that it might not act if payment of the call is received within 24 hours of the call, although in times of extreme price volatility this may mean as little as 1 hour. (You are not entitled to any grace period. All Margin Calls must be paid immediately). In rare circumstances, the markets could move against your position giving XM.com no time to make a Margin Call on you to request additional funds for XM.com to protect its positions and XM.com will close out your positions.

Leverage - Since these products are leveraged, a small price movement in the underlying instrument on which they are based can result in substantial profits or losses exceeding your Initial Margin. In addition, you could be required to pay further funds representing losses and other fees on your open and closed positions. The prices of our products may be volatile and fluctuate rapidly over wide ranges. Price fluctuations may be as a result of uncontrollable events or changes in a variety of conditions as described above under “Market Risk”.

XM.com may without notice apply changes to and amend the leverage ratios (e.g., decrease the leverage ratios). It may do so on a case by case basis for products or classes of products such as pairs) or on any or all accounts of the Client (or with any other criteria), using any triggers it determines from time to time (e.g., depending on the Clients’ equity). XM.com is not limited by any criteria or parameters for any changes in leverage ratios. Generally, it does so for compliance or prudential risk management, but it need not give reasons and will not be liable for any losses arising from its changes. Any changes to leverage ratios carries consequential risks to the Client described elsewhere in this PDS, such as increased Margin requirements and the possibility of reduced profits or early close outs of transactions.

Liquidity - Under certain market conditions, it may be difficult or impossible to close out a position. This can occur when there is significant change in the price of the underlying currency, instrument or index level over a short period of time.

Stop Loss Orders unavailable - Certain products can be traded in conjunction with our limit and stop loss orders which are designed either to optimise your exposure to the market or to limit your loss by instructing that trades be executed at pre-determined price levels. Stop losses are instructions placed by the Client with XM.com to close out an open position if a market trades through a specific level. Stop loss orders are often used to attempt to limit the amount which can be lost on a position. Stop losses are not guaranteed and the execution of such orders will depend on market volatility and liquidity. So, whilst stop losses generally allow you to control potential losses should the market move against you, please be aware that stop loss orders may not always work or limit your losses the way you anticipate. The operation of these order types may be discussed with your XM.com representative.

Powers of XM.com - Should you fail to pay any amounts due and payable, including Margin Calls, or maintenance of minimum account balances, XM.com has extensive powers to close out positions and charge (reasonable) default interest. Under the Client Agreement - Terms and Conditions of Business, you also indemnify XM.com and its employees, agents and representatives against certain losses and liabilities. You should read the said Terms and Conditions carefully to ensure you understand these powers and responsibilities.

Electronic Trading platform risk - You are always responsible for providing and maintaining the means by which you access the electronic trading platform, which may include without limitation a personal computer, modem and telephone or other access line. While the internet and the world wide web are generally reliable, technical problems or other conditions may delay or prevent access to them. If you are unable to access the internet and thus, the electronic trading platform, it will mean you may be unable to trade in a product offered by XM.com when desired and you may suffer a loss as a result. Should the system be unavailable, clients may place their orders via telephone with a representative of XM.com. Furthermore, in unforeseen and extreme market situations, such as an event which occurred on September 11, 2001, or a global catastrophe, XM.com may use its powers to suspend the operation of the electronic trading platform or any part or sections of it. In such an event, XM.com may, at its sole discretion (with or without notice), close out your open contracts at prices it considers fair and reasonable at such a time, or later adjust those close out prices. XM.com may impose volume limits on Clients' accounts, at its sole discretion. Please note that such measures would only be implemented in extreme market conditions, and such discretion only reasonably exercised by XM.com.

Regulatory Risk - Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in Margin FX or CFDs, as may any regulatory action taken against XM.com.

XM.com risk - There is a risk of XM.com being unable to operate its business as a result of a regulatory impediment such as XM.com ceasing to hold an Australian Financial Services Licence or because ASIC imposes a stop order on the PDS issued by XM.com or XM.com ceasing to exist.

No cooling off - There are no cooling-off arrangements for Margin FX or CFD contracts. This means that when XM.com issues a Margin FX or CFD contract, you do not have the right to return the product, nor request a refund of the money paid to acquire the product.

Additional risks to be carefully considered are contained in the table below:

Risk	Explanation	Margin FX	CFDs
Market Volatility	<p>Markets are subject to many influences which may result in rapid fluctuations and reflect unforeseen events or changes in conditions with the inevitable consequence being market volatility.</p> <p>Given the potential levels of volatility in certain markets, it is therefore recommended that you closely monitor your positions with XM.com at all times. Certain markets are highly volatile and are very difficult to predict. Due to such volatility, in addition to the spread that XM.com adds to all calculations and quotes, no Margin FX or CFD product offered by XM.com, or any other financial services provider, may be considered as a safe trade.</p> <p>To help manage this, XM.com offers Clients a way of managing volatility by working orders. Certain products can be traded in conjunction with our limit and stop loss orders which are designed to either optimise your exposure to the market or limit your loss by instructing that trades be executed at pre-determined price levels. Stop losses are instructions placed by the Client with XM.com to close out an open position if a market trades through a specific level. Stop loss orders are often used to attempt to limit the amount which can be lost on a position. We note that stop losses are not guaranteed and the execution of such orders will depend on market volatility and liquidity. The operation of these order types may be discussed with your XM.com representative. You should refer to the Terms and Conditions with respect to the operation of these order types.</p>	✓	✓

	<p>Under certain conditions it could become difficult or impossible for you to close a position. For example, this can happen when there is a significant change in prices over a short period. Lack of liquidity in foreign exchange markets due to extreme volatility or uncertainty of trading in those markets may also affect the ability of XM.com to open or close a position thereby reducing your profits or increasing losses.</p> <p>A “spread” position (i.e. the holding of a “bought” contract for one specified date and a “sold” contract for another specified date) is not necessarily less risky than a simple long (i.e. bought) or short (i.e. sold) position. Furthermore, a “spread” may be larger at the time you close out the position than it was at the time you opened it.</p> <p>You should be aware that if you acquire a product offered for trading or speculative purposes (that is where you do not have a risk you need to protect yourself from), you will be fully exposed to movements in the underlying market (e.g., currencies or instruments).</p>		
Counter-party Credit Risk	<p>Margin FX and CFD contracts are not traded on a regulated exchange. Investors must deal directly with XM.com to open and close positions. Given you are dealing with XM.com as counterparty to every transaction, you will have an exposure to us in relation to each transaction and also for the entire account balance. This is common to all OTC financial market products.</p> <p>The obligations of XM.com to make payments in respect of the accounts are unsecured obligations of XM.com, which means that you are subject to our credit risk. If we were to become insolvent, we may be unable to meet our obligations to you.</p> <p>In this regard, you should be aware that, as a market maker, XM.com will immediately hedge its exposure (“book”) with its hedging counterparty, Trading Point of Financial Instruments Ltd or any other Trading Point Group entity i.e. each transaction agreed and entered into with the Client will be offset or matched with a similar trade (in terms of price and quantity) with a Trading Point Group entity. Our regular counterparty, Trading Point of Financial Instruments Ltd, runs a market making desk and it hedges its exposures on a net book basis.</p> <p>To the extent XM.com withdraws client monies for purposes to which it is entitled, and the remaining client monies in the client money trust account are less than the full amount owed by XM.com to the Client, those Clients are exposed to the credit of XM.com and are indirectly exposed to the financial risks of our counterparties and organisations with whom XM.com deals (because of the impact on XM.com). If the financial condition of XM.com or assets of our counterparties deteriorates, then clients could suffer loss if XM.com does not pay in full the amount owing to the Clients.</p>	✓	✓

	<p>You are reliant on XM.com's ability to meet its counterparty obligations to you (when payment to you is required). XM.com manages this exposure by entering into opposite transactions as principal (as described above) with XM.com's counterparty. In addition, XM.com must comply with the financial requirements imposed under its AFSL.</p> <p>Please contact us in writing at the address/email provided in this PDS if you wish to obtain a free-of-charge copy of our latest audited financial statements which may assist in your assessment of credit risk.</p>		
Foreign Exchange Risk	<p>Your account is maintained in the currency you have nominated, that is, the base currency. If you deal in a product that is denominated in a currency other than the base currency, all Initial and Variation Margins, option premiums, profits, losses, rollover fees (interest rate payments/receipts and financing credits and debits) in relation to that product are calculated using the currency in which the product is denominated.</p> <p>Accordingly, your profits or losses may be affected by fluctuations in the relevant foreign exchange rate between the time the order is executed and the time the position is closed.</p> <p>Upon closing a position that is denominated in a currency other than the base currency of your account, you will be able to request that the foreign currency balance be converted to the base currency of your account. Any conversion will be at the exchange rate quoted by XM.com, and subject to the conversion fee. Until the foreign currency balance is converted to the base currency, fluctuations in the relevant foreign exchange rate may affect the unrealised profit or loss made on the position.</p>	✓	✓
Market Information	<p>XM.com may make available to you through one or more of its services, a broad range of financial information that is generated internally or obtained from agents, vendors or partners (third party providers). This includes, but is not limited to, financial market data, quotes, news, analyst opinions and research reports, graphs or data (Market Information).</p> <p>Market Information provided by us by email or through our website is not intended as advice. XM.com does not endorse or approve the Market Information and we make it available to you only as a service for your own convenience. XM.com and its third party providers do not guarantee the accuracy, timeliness, completeness or correct sequencing of the Market Information or warrant any results from your use or reliance on the Market Information.</p> <p>Market Information may quickly become unreliable for various reasons including, for example, changes in market conditions or economic circumstances. Neither XM.com nor the third party providers are obliged to update any information or opinions contained in any Market Information and we may discontinue offering Market Information at any</p>	✓	✓

	time without notice.		
Operational Risk	<p>Operational Risk is inherent in every transaction, for example, disruption to XM.com's operational processes such as communications, computers, networks or external events may lead to delays in the execution of or settlement of a transaction. Also, your payments are subject to the operational risks in the payment system (outside the control of XM.com).</p> <p>XM.com relies on a number of technology solutions to provide you with efficient services. XM.com has partly outsourced the operation of its electronic trading platform to a third party and in doing so XM.com relies upon this third party to ensure the systems are updated and maintained.</p> <p>A disruption to the XM.com electronic trading platform may mean you are unable to trade in a product offered by XM.com when desired and you may suffer a loss as a result. An example of disruption includes the "crash" of our computer-based trading system.</p> <p>If there is a problem with your payment to XM.com you have the risk of not satisfying your Margin obligations, so you may suffer positions being closed (causing loss or preventing profits). Also, if XM.com chooses to credit your account with an amount reflecting your initiated funds transfer (including by paying into the client money trust account for your benefit), and if there is any later claw back or challenge to the payment you initiated then XM.com may make an adjustment to your account to reflect that and this can lead to instant Margin requirements and then closing positions (and also you owing a shortfall even if your account is closed). The "no negative balance" policy does not apply to shortfalls caused by your payment problems, even if we credited your Account before the problem became known.</p>	✓	✓
Risk Capital	<p>You could lose all the Initial Margin that you deposit to establish or maintain a position.</p> <p>All OTC Transactions including derivatives involve risk and there is no trading strategy that can eliminate it. The placing of contingent orders (such as a stop-loss order) may not always limit your losses to the amounts that you may want. Market conditions may make it impossible to execute such orders.</p> <p>In cases where you are speculating we suggest that you do not risk more capital than you can afford to lose. A good general rule is never to speculate with money which, if lost, would alter your standard of living.</p>	✓	✓
Superannuation Funds	<p>It should be noted that complying superannuation funds are subject to numerous guidelines and restrictions in relation to their investment activities which are contained in the Superannuation Industry Supervision Act 1993 (Commonwealth) and associated regulations and regulatory guidance material.</p>	✓	✓

	<p>Without being an exhaustive list, following are some of the issues that should be considered by a trustee of a complying superannuation fund:</p> <ul style="list-style-type: none"> ▪ restrictions on borrowing and charging assets and whether dealing in over-the-counter derivative products would breach those borrowing and charging restrictions; ▪ the purpose of dealing in over-the-counter derivative products in the context of a complying superannuation fund's investment strategy as well as the fiduciary duties and other obligations owed by trustees of those funds; ▪ the necessity for a trustee of a complying superannuation fund to be familiar with the risk involved in dealing in over-the-counter derivative products and the need to have in place adequate risk management procedures to manage the risks associated in dealing in those products; and ▪ the consequences of including adverse taxation consequences if a superannuation fund fails to meet the requirements for it to continue to hold complying status. 		
Investment Decisions	You are solely responsible for the selection of the orders you place with us and as such, the performance of any investment in Margin FX or CFDs using your trading account will depend mainly on your own investment decisions.	✓	✓
Adjustment Risk	If an adjustment event occurs, XM.com may adjust the terms of your position, or not make the adjustment to the relevant CFD if it is not reasonably practicable. XM.com may also elect to close your CFD position in the event of the underlying securities being subject of a take-over offer, prior to the closing date of the offer.	✗	✓

Labour standards and environmental, social and ethical considerations

We do not take labour standards, or environmental, social or ethical considerations into account when offering Margin FX or CFD transactions.

15. Fees, Charges And Costs

XM.com does not charge fees on Margin FX or CFD transactions for micro, standard, ultra-low micro and ultra-low standard accounts. Other fees and commissions, once disclosed and agreed, will be charged to your trading account at the time your transaction is executed.

Fees must be paid to us immediately upon execution of the trade and will be deducted from your account in accordance with the Client Agreement - Terms and Conditions of Business.

Zero account Commission

XM.com charges a commission only for transactions made on already existing Zero accounts (i.e., XM.com ceased the offering of new Zero accounts). The commission fee is \$3.5 per \$100,000 traded (i.e., opening and closing of the position) and is deducted from the trading account following the opening of the position.

Administration Charges

XM.com may charge fees for certain administrative services which occur in the course of your dealings with us. Administrative services to which fees are applicable are outlined in the table below.

Administrative Service	Fee (incl. GST)
Dormant Account Fee	Up to \$5 per month
VPS fees (where applicable)	Up to \$28 per month
Courier fees	Upon request

XM.com may change any of the above administration fees applicable to CFDs. You will receive proper notification of such a change, and a supplementary or new PDS if required.

Conversion Fee

XM.com does not charge a conversion fee when converting currencies to your base currency. When there is a conversion from a term currency to your base currency, the exchange is at the spot rate for the applicable currency pair as posted on the electronic trading platform at the time of the transaction.

Financing Charges

CFDs

If you hold a long CFD position overnight, you may be required to pay a financing charge at an interest rate. This is called a rollover fee. If you hold a short CFD position overnight, you may be entitled to receive an amount for the interest also called a rollover fee. Interest payable/receivable (i.e., rollover fee) is calculated based on the total notional value of your open position and interest rates which we set (for your information, it is based on the relevant interbank rate chosen by us plus or minus a mark-up). Interest is calculated and debited from or credited to your account on a daily basis (as rollover fees). No interest is paid or received if you open and close a position in the same trading day.

Standard overnight interest rates applicable are outlined below.

The amount of interest paid/received by XM.com will vary each day, depending upon factors such as the closing price of the underlying instrument on which the product is based, changes to holdings within your portfolio and changes to the interbank rates.

XM.com may, in its absolute discretion, reduce the financing rates applicable to your long and short positions depending on your trading volume or account balance. XM.com may change the financing rates applicable to your account (i.e., the interest rates for rollover fees). You will receive proper notification of such change.

Margin FX

If you hold an FX position overnight, you may incur/receive what is known as a Funding Cost/Benefit or Rollover Fee/Benefit when your transaction is rolled. This means that open positions held at the end of the Business Day will be rolled over and remain open until the end of the next Business Day (unless the position is closed). Your Margin FX Contracts can be rolled indefinitely until you decide to close out the transaction or it reaches the maturity date, provided that you continue to meet your Margin requirement and maintain the required account balance.

The Funding Cost/Benefit will depend on the interest rate differential between the two (2) currencies in the currency pair of your transaction. Whether you incur a cost or receive a benefit will depend on whether you hold a long (bought) or short (sold) position and also which currency has the higher yield (i.e. interest rate).

For example, if you are long AUD/USD (i.e. you have bought AUD against USD) and interest rates are higher in Australia than in the US, you will receive a rollover fee (also referred to as a Funding Benefit) when the position is rolled overnight because you are holding a position in the higher yielding currency. If

the interest rate in the US is sufficiently higher than Australian interest rates, you will incur a rollover fee (also referred to as a Funding Cost) because you are holding a position in the lower yielding currency.

No interest is paid or received if you open and close a position in the same trading day.

XM.com may in its absolute discretion reduce the financing rates applicable to your long and short positions depending on your trading volume or account balance. XM.com may change the financing rates applicable. You will receive proper notification of such change.

16. Margins And Leverage

If you enter into a transaction you will be required to pay an Initial Margin (i.e. an initial up-front payment). Initial Margin means an amount of collateral that is required from you effectively as security to enter into a leveraged position. Typically, we will require Initial Margin to be calculated as a percentage of the contract value. The Initial Margin will vary depending on the type of product you trade and is determined at XM.com's discretion mostly by the liquidity of the underlying instrument on which the product is based. It may range between 3.33-20% based on the type of account and amount of funds invested.

In addition, in order to maintain your position, you may be required to pay additional Margin in the event of adverse market movements against your position. Such payments are not considered as costs but are payments required by XM.com to cover our risk for your obligations.

The current Margin rates applicable to each type of transaction are provided on the electronic trading platform prior to entering into a trade.

The Margin amounts are payable to XM.com and may be paid by depositing into the client money trust account or other approved payment method. Once they are held in the client money trust account, those client monies are held and may be used and withdrawn only in accordance with the Corporations Act requirements and our Client Agreement - Terms and Conditions of Business.

It is your responsibility to actively monitor and manage your transactions and your obligations, including ensuring that you maintain the required account balance. It is also your responsibility to ensure you are aware of any changes in the required account balance (to cover the required margin including any variations in the Initial Margin, whether specifically notified to you or not). XM.com is under no obligation to contact you in the event of any change to the required account balance or any actual or potential shortfalls in your account.

All contracts will be subject to Margin obligations. Accordingly, you are responsible for meeting all margin payments required by XM.com. It is your sole responsibility to monitor and manage your open positions and exposures and ensure Margin Calls are met as required. Margin Calls will be notified via the electronic trading platform, and you are required to log-in to the system on a frequent basis when you have open positions to ensure you receive notification of any such Margin Calls. Please note that if you do not check the trading platform for Margin Call notifications, and hence do not meet them in a timely manner, positions will be closed out by XM.com, without further reference to you, in accordance with the executed Client Agreement - Terms and Conditions of Business. A Margin Call will not be considered to have been met UNLESS AND UNTIL either cleared funds have been received by XM.com in the client money trust account or other approved payment has been made (such as by approved E-wallet provider).

Please note that your payment is subject to the risks of the payment system and your choice of your payment agent or provider. Initiation of payment by you is insufficient. Even if XM.com chooses to credit your Account with an amount reflecting your initiated funds transfer (including by paying into the client money trust account for your benefit), if there is any later chargeback or other challenge to payment in full to XM.com, XM.com may make an adjustment to your account to reflect that (and to charges and costs arising from that) and this can lead to you owing a shortfall (the "no negative balance" policy does not apply to your payment problems). Please manage your risk by monitoring your account and choosing payment methods that will satisfy payment to XM.com in full and in time.

Positions may be monitored by XM.com on a continuous basis to account for any market movements. If the value of the position moves against you then you will be required to "top up" the Initial Margin and, if you are unable to do so, you will be subject to a Margin Call (i.e., to pay additional Margin or alternatively

to close the position in order to reduce your Margin requirements to a level acceptable to XM.com). The Variation Margin liability is incurred at the time of the occurrence of any movement in the market that results in an unrealised loss, regardless as to when the call to pay is made by XM.com on you.

You must be in a position to fund such requirements at all times. Initial Margin and Variation Margin must be paid immediately after the call. In rare circumstances, the markets could move against your position giving XM.com no time to make a Margin Call on you to request additional funds for XM.com to protect its positions.

If you fail to meet any Margin Call (i.e., if we fail to receive cleared funds or receive other approved payment), we may reduce or close any or all of your open positions without further notice or, in the rare circumstances where XM.com does not have time to make a Margin Call (e.g., due to exceptional market movements), then XM.com may in its absolute discretion and without creating an obligation to do so, close out, without notice, all or some of your open positions and deduct the resulting realised loss from the Margin (and other excess funds held in your account with XM.com).

XM.com follows a 'no negative balance' policy which means that you cannot lose more than your contributed capital. (Please note that this does not apply to shortfalls caused by your payment problems).

CFD and Margin FX products can be highly volatile and you should ensure that you are always contactable by XM.com. If you are unable to be contacted for the purpose of XM.com making a Margin Call, we may close out your open positions without actually speaking to you.

Margin calls will be made on net account basis i.e. should you have several open positions, then Margin Calls are netted across the group of open positions. In other words, the unrealised gain of one position can be used or applied as Initial Margin or Variation Margins or to offset the unrealised loss of another position.

You will only be allowed to deal in and maintain positions on the basis of cleared funds being provided for your Margin obligations or your account's net balance is otherwise in credit. Margin calls can be made by XM.com at any time and you are responsible for ensuring that they are met even if you do not receive the Margin Call or your choice of payment provider is not operating at the time.

XM.com may limit the size of your open positions, whether on a net or gross basis under any appropriate circumstances as determined by XM.com. XM.com may also refuse any request made by you to place an order to establish a position at any time at XM.com's discretion without having to give you notice.

Margin FX and CFD trading, unlike traditional trading, enables the Client to trade by paying only a fraction of the total trade value. It should be noted that leverage, or gearing as it is often referred to, means that a relatively small market movement may lead to a proportionately much larger movement in the value of the Client's position.

XM.com offers leverage starting from 1:5 up to 1:30, depending on the instrument. For example:

Instrument	Leverage
Major Currency pairs (AUD, CAD, CHF, EUR, GBP, JPY, USD)	1:30
Minor Currency Pairs	1:20
Major Stock Market Indices (EU50, FRA40, GER40, JP225, UK100, US100, US30, US500, EU50Cash, AUS200Cash, FRA40Cash, GER40Cash, JP225Cash, UK100Cash, US100Cash, US30Cash and US500Cash)	1:20

Gold	1:20
Commodities (other than gold)	1:10
Minor Stock Market Indices (SWI20, USDX, GRE20Cash, HK50Cash, IT40Cash, NETH25Cash, POL20Cash, SPAIN35Cash and SWI20Cash)	1:10
Shares and other underlying assets	1:5

It should be noted that the leverage ratios and amount figures indicated above as well as on XM.com's website are for reference only and are subject to change at any time in XM.com's sole discretion. The leverage ratios applied to Clients' positions may be monitored by XM.com. XM.com may without notice apply changes to and amend the leverage ratios (i.e., decrease the leverage ratio). It may do so on a case by case basis for products or classes of products such as pairs) or on any or all accounts of the Client (or with any other criteria), using any triggers it determines from time to time (e.g., depending on the Clients' equity). XM.com is not limited by any criteria or parameters for any changes in leverage ratios. Any monitoring by XM.com is for its compliance and risk management and Clients should not rely on XM.com to monitor their trading or the effect of any change in the leverage ratios applying to their accounts.

17. Margin FX Trading Example

Please note: this section applies to Margin FX Contracts ONLY

Example 1:

Imagine the current bid/ask for EUR/USD is EUR/USD: 1.2836/1.2839, meaning a trader can buy 1 euro for 1.2839 or sell 1 euro for 1.2836.

Suppose a trader decides that the Euro is undervalued against the US dollar and expects the value of the Euro to rise. To execute this strategy, a trader would buy Euros (simultaneously selling dollars), and then wait for the exchange rate to rise.

Therefore, the trader places the order to buy 100,000 Euros and pays 128,390 dollars ($100,000 \times 1.2839$) for that order. Remember, at a leverage rate of 30:1, the trader's deposit would be approximately \$4,280 for this trade.

As expected, the Euro strengthens to 1.2842/1.2844. Now, to realise the profits, the trader places an order to sell 100,000 Euros at the current rate of 1.2842 and receives 128,420 dollars for that trade.

The trader bought 100,000 Euros at 1.2839, paying \$128,390. Then the trader sold 100,000 Euros at 1.2842, receiving \$128,420. That is a difference of 3 pips, or in dollar terms ($\$128,420 - 128,390 = \30).

Total profit = \$30 on a deposit of \$4,280

Example 2:

Now in this example, imagine the trader once again buys EUR/USD when trading at 1.2836/39. Just as before, the trader buys 100,000 Euros and pays 128,390 dollars ($100,000 \times 1.2839$).

However, the Euro weakens to 1.2833/1.2836. Now, to minimise losses, the trader sells 100,000 Euros at 1.2833 and receives \$128,330.

In this case, the trader bought 100,000 Euros at 1.2839, paying \$128,390 and sold 100,000 Euros at 1.2833, receiving \$128,330. That is a difference of 6 pips, or in dollar terms ($\$128,390 - \$128,330 = \$60$).

Total loss = \$60

18. CFD Trading Examples

Please note: this section applies to CFDs ONLY

Example 1:

Imagine the current quote for the gold is Gold: 881.85 / 882.60 meaning a trader can buy a gold CFD for 882.60 or sell a gold CFD for 881.85.

Suppose a trader decides the value of gold to rise. Therefore, the trader places the order to buy 100 ounces of gold CFDs and pays \$88,260 (100×882.60) for that order. Remember, at a leverage rate of 20:1, the trader's deposit would be approximately \$4,413 for this trade.

As expected, rises to 883.20 / 883.95. Now, to realise the profits, the trader places an order to sell 100 ounces of gold CFDs at the current rate of 883.20.

The trader bought 100 ounces of gold CFDs at 882.60 paying \$88,260. Then the trader sold 100 ounces of gold CFDs at \$88,320. That is a difference of 60 ticks or \$60 ($\$88,320 - \$88,260 = \60).

Total profit = \$60 on a deposit of \$4,413

Example 2:

Now in this example, imagine the trader once again buys 100 ounces of gold CFDs when trading at 881.85 / 882.60 and pays \$88,260 (100×882.60) for that order.

However, the price of gold drops to 881.70 / 882.45. Now, to minimise losses, the trader sells 100 CFDs at 881.70 and receives \$88,170.

In this case, the trader bought 100 ounces of gold CFDs paying \$88,260 and sold 100 ounces of gold CFDs receiving \$88,170. That is a difference of 90 ticks or \$90 ($\$88,260 - \$88,170 = \90).

Total loss = \$90

19. Funding Your Account

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

- bank transfer;
- electronic funds transfer (including electronic payment providers);
- debit card; and
- credit card.

The details are available by accessing the website: www.xm.com/au.

In no circumstances do we accept cash deposits.

When paying XM.com you must ensure that the payment is appropriately referenced with your account number to enable us to easily identify your payment and apply it to your account promptly. All payments made to XM.com must be free of any withholding tax or deduction.

[XM.com will only act on payments that have cleared, so we recommend that you maintain sufficient Margin in your account at all times to maintain your open positions.]

XM.com does not accept funds transferred from third parties (unless they are a regulated payment provider acting as your agent or at your direction). It is your obligation to ensure that all funds transferred to us are from the bank account you have nominated in your Application. We may, in our absolute discretion, without creating an obligation to do so, return any funds transfer received from a third party back to the account from which it was transferred. If you have chosen to use an electronic funds transfer provider, the payment must be by you or at your direction, (i.e., traceable to you and your funds or other account). If we are not satisfied that you have paid us, we may refuse the payment, return it and not credit your account with us.

XM.com will not accept any liability or responsibility for any losses that you may suffer as a result of, or arising out of, or in connection with, us returning any payment, including any losses incurred by you because you are subsequently in default of your obligations under the Client Agreement -Terms and Conditions of Business.

20. Stop Loss Orders

A stop-loss order is an order placed to limit the loss on an open position and can be used on for both FX and CFD contracts.

A stop order can be seen as a “resting” market order. The order will become active when the price specified as the strike price in the stop order has been traded in the market. The stop order will then be converted into a market order. The stop order becomes a market order when the stop price is equal to last traded price in the underlying stock market. The process of the fill will be precisely as described under the order type.

A stop-loss order can be placed on the electronic trading platform. Two forms of stop-loss order are available currently, namely, a stop-loss order at a set price; and a trailing stop-loss order which enables you to link a stop-order at a set distance to the market. As the market moves away from the stop-order's strike price, the strike price will be adjusted in the steps defined when the order was placed. In case the market moves towards the stop orders strike price the order will remain at the initial level with the initial strike price.

For example, if you are long USD at 1.1108, a stop loss order could be set for 1.1063, in case the dollar depreciated below 1.1063.

Sell stops are filled on our bid, and buy stops are filled on our offer. This allows XM.com to fill Client stop orders at the rate they requested in almost every case. In the rare instance that the market gaps over a requested rate, the stop is filled at the best available price offered by XM.com. This is an important point for traders who are accustomed to being filled on sell stops when the offer reaches the requested order rate.

Please note that your stop-loss orders may be filled at prices inferior to those at which they were originally placed. In some market conditions, such as gapping in the underlying market, the price offered by XM.com on the electronic trading platform will also gap through your specified price (stop level), then the stop-loss order will be executed at the next available price. Due to the above factors, XM.com does not guarantee that your stop-loss order will be executed at the same price you requested.

Stop-loss orders placed on CFDs will be filled if the underlying security trades at prices equal to or below the price at which you have placed your stop loss order subject to there being sufficient liquidity in the underlying security. Your stop loss orders may be filled at prices below those at which you have placed your stop loss order.

XM.com will execute a stop-loss order once both the following conditions are met:

- XM.com's offer price has reached the order price in the case of a buy order or XM.com 's bid price has reached the order price in the case of a sell order;
- The relevant underlying market has traded at or through the level at which the order is placed, in sufficient size that XM.com could have replicated the order.

XM.com will not execute stop loss orders based on crossings or special trades that have gone through the pricing in the underlying market. If the relevant underlying market, and therefore our CFD price, gaps through the stop level then the order will be executed at the next available price at which the order could have reasonably been executed.

Since the markets are constantly moving up to 24 hours a day, you are able to place a 'stop loss' on all open positions. Whilst this allows you to control potential losses should the market move against you, in most circumstances, stop loss orders may not always limit your losses the way you anticipate. There are no guarantees in relation to stop-loss orders, and due to the speed at which prices can move, they may be effected at a different price (known as slippage) or not at all.

There are no additional fees or charges associated with the placement of stop-loss orders (only the disclosed commission regarding the executed transaction if the order is executed).

21. Client Agreement - Terms & Conditions Of Business

In order to open an account, your application means you apply for, and agree to the Client Agreement - Terms and Conditions of Business. This is an important legal document containing the terms and conditions which govern our relationship with you (as later amended). It is provided to you separately by XM.com. Once your application is accepted, the Agreement is binding on you and on XM.com.

We recommend that you consider seeking independent legal advice before entering into the Client Agreement - Terms and Conditions of Business, as the terms and conditions detailed therein are important and affect your dealings with us.

The following key topics are covered in the Client Agreement - Terms and Conditions of Business, some of which have been summarised throughout this PDS:

- Client acknowledgements regarding knowledge and suitability of Margin FX and CFD products;
- Client representations and warranties;
- Client account operating details;
- Margin FX and CFD trading requirements;
- Margin requirements and XM.com's rights in respect of Margin;
- Client obligations regarding confirmations (reporting discrepancies);
- Process for closing out a trade, and XM.com's rights in relation to price calculation;
- Rollover fees/credits based on swap interest rate variables, being fees payable/receivable on open positions;
- Requirements regarding the appointment of authorised persons by the client;
- Default events;
- XM.com rights following a default event;
- Amendment and termination rights;
- Client indemnity in favour of XM.com;
- XM.com's limitation of liability;
- Fees, charges and costs;
- Restrictions on assignment of agreement;
- Telephone recordings;
- Provision of general advice;
- Governing law (NSW); and
- Electronic trading platform conditions/process.

22. Client Monies

All money deposited by you, or which is received by XM.com on your behalf, will be first deposited by XM.com in one or more bank accounts which it must maintain as a trust account pursuant to the Corporations Act (client money trust account). Please note that individual client's monies in the client money trust account are not separated from each other but are co-mingled in one account (which is separate from XM.com's monies/assets).

If you pay by other approved methods, such as an electronic transfer using an E-wallet or other e-money, XM.com may show your account has a credit for that payment as Margin even if XM.com is not obliged to pay that into the client money trust account (because you chose to pay by that method instead of transferring funds into the client money trust account) but chooses to do so. XM.com will, in the ordinary course of the payment system, subsequently pay a corresponding amount into the client money trust account and at that point in time they become your client money and will be dealt with as for any other of your client money.

To the extent XM.com withdraws monies for purposes to which it is entitled, and the remaining client monies in the client money trust account are less than the full amount owed by XM.com to the client, those clients are exposed to the credit of XM.com and are indirectly exposed to the financial risks of our counterparties and organisations with whom XM.com deals (due to their impact on XM.com). If the financial condition of XM.com or assets of our counterparties deteriorates, then Clients could suffer loss if XM.com does not pay in full the amount owing to the Clients.

In accordance with Australian anti-money laundering regulations, XM.com reports, if necessary, any suspect transactions to AUSTRAC.

XM.com is entitled to retain all interest earned on client money held in the client money trust account. The rate of interest earned by XM.com on this account is determined by the provider of the deposit facility.

23. Taxation

23.1 Introduction

If you trade in Margin FX or CFDs, you may be subject to Australian taxation. This section outlines general information about significant Australian income tax and GST implication of trading derivatives.

The information contained in this section is of a general nature only and is not intended to constitute legal or taxation advice and should not be relied upon as such. The taxation implications of your transactions will depend on your own individual circumstances and XM.com recommends that you obtain independent professional taxation advice on the full range of taxation implications applicable to your own personal facts and circumstances.

Taxation laws are complex in nature and their interpretation and administration may change over the term of your transacting. We will not advise you of any changes in taxation laws should they occur. You must take full responsibility for the taxation implications arising from your own transacting, and any changes in those taxation implications during the course of your transacting.

The information provided below is for Australian resident investors only and is based on interpretation of taxation laws in Australia current as at the date of this PDS. If you are not an Australian resident, you should consult a taxation advisor in your own jurisdiction to determine the tax consequences of transacting in derivatives.

The information in this section is based on the assumption that you will hold derivatives on revenue account. This means that you will be carrying on a business of trading or transacting these financial products, and/or you will enter into them for the purpose of making profits. We have not considered the taxation position if you enter into derivatives for the purposes of hedging risks associated with other securities or underlying assets held by you on capital account.

The availability of tax deductions or losses incurred as a result of transacting in derivatives to offset current and future year income will depend on your personal circumstances and you will need to seek advice from your tax advisor in this regard.

23.2 Tax Consequences of Transacting in Margin FX Contracts and CFDs

The ATO has not issued any specific Tax Ruling or Determination in respect of Margin FX. They are similar in nature to CFDs in that, generally, they are both derivatives which provide the investor with exposure to price movements in underlying assets traded on markets, without directly investing in those underlying assets.

The taxation of CFDs is set out in ATO Tax Ruling TR 2005/15. TR2005/15 therefore may provide some guidance on the taxation treatment of Margin FX. Under TR2005/15, if you enter into a contract exposing you to future price movements in markets in the ordinary course of your business or for profit-making purposes, it is likely that any profit derived or loss incurred by you will be included in, or allowed as a deduction from, your assessable income. Tax Ruling IT2228 sets out a similar ATO view of profits or losses from trading in futures contracts. Any profit or loss arising in respect of a Margin FX or CFD transaction should be included in your assessable income (or allowed as a deduction) at the time the profit or loss is 'realised' for tax purposes. Realisation will generally occur at the time the position is closed out (on expiry or sale).

Ordinarily, derivative transactions would be entered into for a profit-making purpose. If a derivative is not entered into for a profit-making purpose, the ATO may consider the transaction as an unusual form of recreational gambling. Proceeds from gambling are generally not subject to tax unless you are carrying on a business of gambling. In the ATO's view, 'gambling' refers to activities involving primarily chance which have a recreational or sporting character, and not the more technical legal meaning of wagering or the more popular meaning of mere risk taking. Ultimately, the nature of the proceeds an investor derives from transacting in derivatives will depend upon the particular circumstances of the investor.

23.3 Capital Gains Tax

Margin FX and CFD positions may constitute a capital gains tax (CGT) asset held by you for the purposes of applying the CGT provisions to any capital gain or capital loss realised by you. To the extent that a gain arising as a result of a CGT event in relation to Margin FX or CFDs is included in your assessable income outside the CGT provisions (refer to Section 22.2 above) the capital gain resulting from the CGT event will be reduced. Similarly, to the extent that any loss incurred in respect of Margin FX or CFD transactions is deductible, the deductible amount will not contribute to a capital loss for you.

23.4 Treatment of Transaction Fees

Any rollover fees credited to your account are likely to be included in your assessable income at the time it is credited to your account. If you do not provide your TFN (or ABN) or proof of exemption, XM.com may be required to withhold tax from any payment to you attributable to that, at a rate of up to 47% plus any levies.

The transaction fees payable upon opening or close out of Margin FX and CFD positions will be deductible if the gain or loss on the transaction is assessable or deductible. If the gain or loss is a capital gain or loss, the transaction fees are likely to form part of the cost base or incidental costs of disposal of the product.

23.5 Expenses

Certain expenses incurred by you in connection with trading in Margin FX or CFDs may be deductible to the extent that they are incurred for the purpose of deriving your assessable income. The deductibility of these expenses will depend on your own personal circumstances. You should obtain your own advice as to whether such expenses will be deductible to you.

23.6 Goods and Services Tax

No GST should be payable in relation to your trading of Margin FX or CFDs with XM.com. This is on the basis that they are considered to be 'financial supplies' under the New Tax System (Goods and Services Tax) Act 1999. Consequently, they are input taxed and no GST payable on their supply. GST may apply to certain fees and costs charged to you. You should obtain your own advice as to whether an input tax credit is available for any such GST, as it will depend on your personal circumstances.

24. Disclosure Of Interests

We do not have any relationships or associations which might influence us in providing you with our services. XM.com may share fees and charges with its associates or other third parties or receive remuneration from them with respect to your dealings with us.

In particular, XM.com is a market maker, not a broker, and accordingly will always act as principal for its own benefit in respect of all Margin FX and CFD transactions with you. Each transaction agreed and entered into with a Client as principal will be, at the same time 'offset or matched' with a similar trade with a counterparty. Of note, these trades will be performed at the same price.

You may have been referred to us by a service provider who may receive financial or non-financial benefits from us. These should have been disclosed to you by the service provider in question. Please note that such benefits will not impact fees or the rates you will be offered for financial products or services undertaken with XM.com

25. Privacy

Your privacy is important to us. The information you provide XM.com and any other information provided by you in connection with your account will primarily be used for the processing of your account application and for complying with certain laws and regulations. We may use this information to send you details of other services or provide you with information that we believe may be of interest to you. Full details of our privacy policy are available from our website www.xm.com/au.

26. Dispute Resolution

XM.com has an internal dispute resolution process in place to resolve any complaints you may have, as quickly and fairly as possible in the circumstances. We will follow the "**Complaints Management Policy**" published on our website, which is incorporated herein by reference and form an integral part of the Terms and Conditions of Business; as such, the Complaints Management Policy shall be applicable to all transactions between us and our clients, to the extent that it does not impose and/or does not seek to impose any obligations on us which we would not otherwise have, but for the Corporations Act 2001 (Commonwealth) as amended from time to time.

Clients who wish to file a formal complaint must do so by submitting their complaint to the following email address: aucomplaints@xm.com, along with any relevant attachments. We will seek to resolve your complaint within 7 days or such further time period that may reasonably be required given the nature of the complaint. We will investigate your complaint, and provide you with our decision, and the reasons on which it is based, in writing.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or "AFCA" [contact details below], an approved external dispute resolution scheme, of which XM.com is a member (membership number 33339). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Australian Financial Complaints Authority

Website: <https://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

27. Glossary

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

Term	Definition
Account	Account of the client for dealing in the products issued by XM.com, which is established in accordance with the Client Agreement - Terms and Conditions of Business
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
Client Agreement - Terms and Conditions of Business	The terms and conditions of the Agreement (accompanying the Account Application Form), as subsequently varied, waived or superseded make up the terms of the agreement made by you and XM.com on acceptance of your application. The Terms and Conditions are as amended, supplemented or updated from time to time. You must complete, sign and return the Terms and Conditions , and have your application approved by XM.com in order to set up an account with XM.com to deal in products issued by XM.com
Base currency	Your account is maintained in the currency you have nominated, that is, the base currency
Business Day	A day (other than a Saturday or Sunday or public holiday) on which trading banks in Sydney, Australia are open for business
CFD	Contract for Difference
Client Agreement	The agreement between you and XM.com, on the Terms and Conditions. This governs your account and each transaction is part of it
Client Money Trust Account	An account holding client money under trust and in accordance with the Corporations Act
Confirmation	Document or documents confirming evidence exchanged between XM.com and the client, confirming the terms of the product transaction
Corporations Act	Corporations Act 2001 (Commonwealth) which governs the provision of financial services
Deal	Has the same meaning as provided in the Corporations Act
EST	Eastern Standard Time, Australia
FSG	XM.com's financial services guide as amended, supplemented or updated from time to time
Initial Margin	An amount required to be deposited by the client with XM.com to open a Margin FX or CFD position
Margin	The Initial Margin or Variation Margin or both
Margin Call	A demand for additional funds made to the client by XM.com to meet any additional Margin requirement

Margin FX	Margin foreign exchange
PDS	Product Disclosure Statement
Term Currency	This is the currency of the position you have taken
Variation Margin	The amount deposited by the client with XM.com including any increase or reduction arising from settlement of a closed position
We, Us or XM.com	Trading Point of Financial Instruments Pty Ltd

Note: This PDS should be read in conjunction with the Client Agreement.