



# PRODUCT DISCLOSURE STATEMENT

## Margin FX Contracts and CFDs

**Issuer:**

**Fort Securities Australia Pty Ltd (Fortrade Australia)**

**ABN 33 614 683 831**

**Australian Financial Services Licence No. 493520**

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## 1. INTRODUCTION

### 1.1 IMPORTANT INFORMATION

This Product Disclosure Statement (**PDS**) has been prepared and issued by Fortrade Australia, a registered business name of Fort Securities Australia Pty Ltd (ABN 33 614 683 831) (**Fort Securities Australia, Fortrade Australia, we, us or our**). We hold Australian Financial Services Licence No. 493520 (**AFSL**).

This PDS provides you with key information about our financial products being Over the Counter (**OTC**) derivatives, being Margin Foreign Exchange Contracts (**Margin FX Contracts**) and Contracts for Difference (**CFDs**) (together, the **Products**).

Fort Securities Australia is regulated by the Australian Securities & Investments Commission (**ASIC**). While ASIC is a robust regulator, ASIC does not endorse specific financial products. ASIC's regulation of Fort Securities Australia applies in respect of the services provided under our AFSL. Neither ASIC, the Australian Government nor any other person guarantees any monies in your Account.

This PDS, the Client Agreement and Financial Services Guide (**FSG**) are important documents. You should read this PDS, the Client Agreement and the FSG in their entirety before making any decision to enter into a Contract with us. A copy of this PDS, the Client Agreement and the FSG can be downloaded from our website at [www.fortrade.com](http://www.fortrade.com).

The information in this PDS is current as of 7 March 2019. We may issue a supplementary or replacement PDS as a result of certain changes.

### 1.2 GENERAL ADVICE ONLY

We will not give you any personal financial product advice. Any general financial product advice that we may give you will have been prepared without taking into account your personal objectives, financial situation or needs. Accordingly, you should consider carefully trading with us and the appropriateness of any general advice having regard to your personal objectives, financial situation and needs, and obtain financial and legal advice before you open an account and trade with us.

Nothing in this PDS should be taken to be a recommendation to trade in Margin FX Contracts and CFDs or trade in any particular share, stock, index, commodity, ETF, treasuries, cryptocurrency or currency by way of CFDs, and any reference to a particular share, stock, index, commodity, ETF, treasuries, cryptocurrency or currency is for illustration only.

The Client Agreement contains a provision by which you agree that you enter into all Margin FX Contracts and CFDs in reliance on your own judgement, and that we will not be liable for any losses, costs, expenses or damages suffered by you arising from any inaccuracy or mistake in any information we give to you in the absence of fraud, wilful default or gross negligence or as required by legislation.

### 1.3 YOUR SUITABILITY TO DEAL IN THE PRODUCTS

If we ask you for your personal information to assess your suitability to trade our Products and we accept your application to trade our Products, this is not personal advice or any other advice to you. You must not rely on our assessment of your suitability since it is based on the information you provide and the assessment is only for our purposes of deciding whether to open an Account for you. You may not later claim you are not responsible for your losses merely because we have opened an Account for you after



assessing your suitability. You remain solely responsible for your own assessments of the features and risks and seeking your own advice on whether our Products are suitable for you.

Please refer to Section 6 for our Client Qualification Policy.

#### **1.4 RISKS ASSOCIATED WITH OUR PRODUCTS**

Our Products are foreign exchange contracts and derivatives as defined in the Corporations Act. They are complex and risky with high leverage, which may not be suitable for you. The prices of our Products and the prices of Underlying Instruments may fluctuate rapidly and widely because of events or conditions that may not be foreseeable and cannot be controlled.

You may lose substantially more than the amount you pay to us or what we keep on trust for you. You should not engage in transactions or enter into Contracts unless you properly understand the nature of the Products and are comfortable with the attendant risks.

This initial warning cannot set out and duplicate all of the important information in this PDS. You should read all of this PDS and the Client Agreement before making a decision to invest in the financial products covered by this PDS. We recommend that you contact us if you have any questions arising from this PDS or the Client Agreement prior to entering into any transactions with us. Fort Securities Australia recommends that you consult your adviser or obtain independent advice before trading.

Please read Section 3 of this PDS carefully for more information regarding risks associated with the Products.

#### **1.5 CURRENCY OF PDS**

The information in this PDS is up to date at the time it was prepared and issued but is subject to change at any time. Any updates will be posted on our Website.

If the new information is information which is materially adverse to you, we will issue either a new PDS or a supplementary PDS containing the new information. If the new information is not materially adverse to you, you will be able to find updated information on our Website or by calling us using the contact details given in this PDS.

If you received this PDS electronically, we can provide a paper copy free of charge upon request.

#### **1.6 OUR CONTACT DETAILS**

Office Address: Level 5, 20 Bond Street, Sydney NSW 2000

Postal Address: Level 5, 20 Bond Street, Sydney NSW 2000

Phone: +61 2 8324 6571

Email: support@fortrade.com

#### **1.7 OTHER JURISDICTIONS**

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 of Australia may be subject to legal restrictions. Any person who resides outside of Australia who gains access to this PDS should comply with any such restrictions. A failure to do so may constitute a violation of financial services laws. The offer to which this PDS relates is not available to residents of the United Kingdom, Europe or the United States or any particular country outside of Australia and is not intended for distribution to, or use by, any person in any country or jurisdiction where such distribution or use would be contrary to local law or regulation.

## 1.8 REGULATORY BENCHMARK DISCLOSURE

### Benchmarks for Our Products

ASIC has developed seven (7) disclosure benchmarks for OTC derivatives to help retail investors understand the risks associated with Margin FX Contracts and CFDs, assess their potential risks and decide whether any investment in Margin FX Contracts or CFDs are suitable for them. These requirements are contained in Regulatory Guide 227. This table sets out the benchmarks and the information which describes how we deal with the benchmarks.

Benchmark	Benchmark met? (Y/N)	Description
<p><b>Client Qualification and Suitability</b></p> <p>Address the issuer's policy on investors' qualification for trading.</p>	Yes	<p>Fort Securities Australia maintains and applies a Client Qualification Policy which sets out the minimum qualification criteria that prospective retail investors will need to demonstrate before opening an Account.</p> <p>Further information can be found in Section 6.</p>
<p><b>Opening Collateral</b></p> <p>Addresses the issuer's policy on the types of assets accepted from investors as opening collateral.</p>	No	<p>To the extent that this benchmark requires that a limit of \$1,000 be accepted for opening payments made by credit cards, we accept credit card payments for more than \$1,000 as initial funding in order to provide flexible payment options to clients.</p> <p>Further information can be found in Section 4.4.</p>

<p><b>Counterparty Risk – Hedging</b></p> <p>Addresses the issuer's practices in hedging its risk from client positions and the quality of this hedging.</p>	<p>Yes</p>	<p>We maintain and apply a written policy to manage our exposure to market risk from client positions. This includes the factors we take into account when determining if hedging counterparties are of sufficient standing and sets out the names of those hedging counterparties. Our policy which notes our current approved hedging counterparties, is available on our Website.</p> <p>Further information can be found in Section 3.4.</p>
<p><b>Counterparty Risk – Financial Resources</b></p> <p>Addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements.</p>	<p>Yes</p>	<p>We maintain and apply a written policy to ensure the ongoing maintenance of adequate financial resources and compliance with the financial requirements of our AFSL.</p> <p>Further information can be found in Section 3.4.</p>
<p><b>Client Money</b></p> <p>Addresses the issuer's policy on its use of client money.</p>	<p>Yes</p>	<p>We have a well-defined Client Money policy. These monies are held and used in accordance with the Australian Client Money Rules.</p> <p>Further information can be found in Section 7.</p>
<p><b>Suspended or halted underlying assets</b></p> <p>Addresses the issuer's practices in relation to investor trading when trading in the underlying asset is suspended or halted.</p>	<p>Yes</p>	<p>With the exception of Margin FX Contracts where there is no suspension or halting of the Underlying Market, we do not allow new Positions to be opened when the Underlying Market is halted or suspended.</p> <p>Further information can be found in Section 4.10.</p>



<p><b>Margin calls</b></p> <p>Addresses the issuer's practices in the event of client accounts entering into margin call.</p>	<p>Yes</p>	<p>Fort Securities Australia has a clear policy in relation to Margin and our rights to close out Contracts. We make Margin Calls through the Trading Platform. You must monitor your Trading Platform and your available Margin at all times while you have open Positions with us.</p> <p>Further information can be found in Section 5.</p>
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## 2. KEY INFORMATION – QUESTIONS & ANSWERS

### 2.1 WHAT DO THE TERMS IN THIS PDS MEAN AND HOW DO I INTERPRET IT?

A full list of defined terms is available in the Glossary Section. Please refer to Section 13.2.

### 2.2 WHAT FINANCIAL PRODUCTS DO WE PROVIDE?

The Products we provide are Margin FX Contracts and CFDs. They are OTC derivative products. You can find further details in section 2.5 and section 2.6 below.

### 2.3 WHAT ARE THE TYPES OF ACCOUNT CAN YOU OPEN?

You may trade with Fort Securities Australia in both live and demo environments.

If you are unsure about how the Products work, we **strongly recommend** that you apply for a Demo Account and trial our Trading Platform prior to opening a live Account.

### 2.4 WHAT TYPE OF TRADING SOFTWARE DO WE OFFER?

You can trade in the Products through our Trading Platform known as Fortrader. We recommend that prior to engaging in live trading you open a Demo Account and conduct simulated trading. This will enable you to become familiar with the attributes of the Trading Platform. We have outsourced the operation of the Trading Platform to MetaQuotes, and in doing so rely upon MetaQuotes to ensure the Trading Platform, along with relevant systems and procedures are regularly updated and maintained.

The legal terms governing your Account and your dealing in the Products are set out in the Client Agreement.

We will use our best efforts to make the Trading Platform available when you access it. However, we cannot give an absolute assurance or guarantee that the Trading Platform will be available on a continuous basis due to systems maintenance, system failures and other related technological or external factors. We have no liability to you for any loss, damage or cost which you may suffer as a result of transmission errors, technical faults, malfunctions, illegal intervention in network equipment, network overloads, malicious blocking of access by third parties, internet malfunctions, interruptions or other deficiencies on the part of internet service providers or other system errors.

We do not accept any liability in respect of any delays, inaccuracies, errors or omissions in any data provided to you in connection with the Trading Platform. We have no liability to you in the event that any viruses, worms, software bombs or similar items are introduced via the Trading Platform or any software provided by us to you in order to enable you to use the Trading Platform, so long as we have taken reasonable steps to prevent any such introduction.

You must carefully read and follow any operational rules or instructions for or on the Trading Platform. The Trading Platform from time to time may impose special operating rules including but not limited to:

- posting Margin (such as when payment is required and when the payment is effective);
- how Margins are calculated (such as automatic adjustments outside of trading hours, including at the weekend); and
- how Orders are managed.

## **2.5 WHAT IS A MARGIN FX CONTRACT?**

Margin FX Contracts are OTC derivatives. A Margin FX Contract is an agreement under which you may make a profit or incur a loss arising from fluctuations in the price of the Contract.

“Foreign exchange” generally refers to trading in foreign exchange products (currency) in the spot (cash) markets. Margin FX Contracts can be differentiated from foreign currency as they allow the investor an opportunity to trade foreign exchange on a margined basis as opposed to paying for the full value of the currency. In other words, investors are required to deposit funds as security (Initial Margin) and to cover all net debit adverse market movements (Variation Margin) i.e. positions are monitored on a mark-to-market basis to account for any market movements.

When clients are making a loss to an extent that they no longer meet the Margin requirements, they are required to “top up” their accounts or to “close out” their Contract.

**You do not own or have any interest or right to that Underlying Instrument or have the ability to trade it on an Exchange by entering into a Margin FX Contract.**

Margin FX Contracts do not have an Expiry Date and will remain open until closed in accordance with the Client Agreement.

Fort Securities Australia provides Margin FX Contracts for a wide range of currency pairs. Please refer to our Website and the Trading Platform for more details.

### **Exchange Rate Quotation**

In every exchange rate quotation, there are two (2) currencies. The exchange rate is the price of one currency (the “base” currency) in terms of another currency (the “terms” currency) such as the price of AUD in terms of USD. For example, if the current exchange rate for AUD as against USD is AUD/USD 0.70000, this means that one (1) AUD is equal to or can be exchanged for 0.70 USD.

### **Amount of Gain or Loss per Margin FX Contract**

The amount of any gain or loss made on a Margin FX Contract will be the net of:

- the difference between the price of the Contract when your Position is opened and the price of the contract when the Position is closed;

- any Swap Charges or Swap Benefits relating to the Contract; and
- Commissions charged for the Account (if applicable).

## 2.6 WHAT IS A CFD?

A CFD is an OTC derivative contract that allows you to make a profit or loss from fluctuations in the price of an Underlying Instrument. **A CFD does provide ownership or any rights to the Underlying Instrument does not entitle you to the delivery of the Underlying Instrument at any stage.**

### Amount of Gain or Loss per CFD

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

- the difference between the price of the CFD when your Position is opened and the price of the CFD when the Position is closed;
- any Swap Charges or Swap Benefits relating to the CFD;
- any Rollover Charges or Rollover Benefits relating to the CFD;
- Commission charges relating to the CFD (if applicable); and
- any Corporate Action charges or benefits relating to the CFD (if applicable).

### Types of CFDs We Offer

We offer the following types of CFDs (the availability of which may change from time to time):

- Commodity CFDs;
- Equity CFDs;
- Index CFDs;
- ETF CFDs;
- Treasury CFDs; and
- Cryptocurrency CFDs.

The majority of CFDs offered by Fort Securities Australia will be traded in USD, however some CFDs may be denominated in other currencies.

Details of all the CFDs available are contained on the Website and Trading Platform. This is updated regularly.

## 2.7 WHAT IS A PRODUCT ISSUED “OVER THE COUNTER”?

“Over the counter” or “OTC” means that you do not trade in financial products through an Exchange or on a regulated market. Rather, it is a bilateral transaction between you and us. This means you can only enter into Contracts with us. You do not have the protections normally associated with trading on a regulated market. It is not possible to close a Contract by giving instructions to another provider, broker or AFSL holder.

Further, unlike direct investments made by trading on an Exchange, OTC derivatives are not standardised. You must read this PDS, the Client Agreement and the specifications of each Contract prior to entering into any transaction with us.

## 2.8 WHAT CHARGES ARE PAYABLE WHEN DEALING IN OUR PRODUCTS?

The common fees and charges are set out in Section 8.

## **2.9 WHERE CAN YOU FIND INFORMATION ABOUT OPENING HOURS?**

Our Trading Platform opens on Sunday at 22:01 GMT time and closes on Friday at 21:59 GMT time. During the closing hours of our Trading Platform, you may still access the Trading Platform and view your Account, market information, research and our other services, aside from viewing live prices and placing a live trade. We will provide services to you outside of these hours at our sole discretion. Opening hours of our Products may vary within these times, please check our Trading Platform for further information on opening hours for each Contract.

Opening hours of the Products may vary within the opening hours of our Trading Platform. Please note that quotes for a Product can only be given, and Contracts carried out, during the open market hours of the relevant Underlying Markets or Exchanges, and the opening hours of the Trading Platform. Please refer to the Trading Platform and our Website for further information. If you have any questions, please contact us.

## **2.10 WHAT ORDER TYPES DOES FORTRADE AUSTRALIA OFFER?**

Fort Securities Australia offers different types of Orders through the Trading Platform. You will be able to find out information about Orders that apply to you on the Trading Platform when you log in. You should note that the Stop Loss Orders and Limit Orders and Take Profit are non-guaranteed Orders.

### **Important notice about this section**

When you request to place one of the types of Orders described in this section, we have discretion whether to accept and execute any such request. We will, at our discretion, accept or reject any Orders. The price at which we accept an Order to trade will generally be based on filling the full volume of the Order in one Transaction if possible. The type of Orders and how they may be filled, if at all, might depend on the rules of the exchange where the Underlying Instrument are being traded and the pricing model you have selected. For some Contracts that you choose to trade, there may be a minimum trade value or other restrictions (e.g., pricing) that relate to a particular market.

You should discuss the operation of these Order types with one of our representatives, try them via the Demo Accounts and read the user guide available on the Trading Platform. You should also refer to our Client Agreement with respect to the operation of these order types.

### **Market Order**

A Market Order is executed immediately when placed. It is priced using the current spot or market price of the Underlying Instrument.

A Market Order immediately becomes an Open Position and is subject to fluctuations in the market. This means that should the market move against you, the value of your Open Position deteriorates and you can suffer a loss. If you were to close the position at this point, you would realise the loss and after that your Account balance would be updated to include the revised totals.

### **Limit Order**

Limit orders are commonly used to enter a market and to take profit when the market hits predefined levels.

Limit orders to buy are placed below the current market price and are triggered when the Ask price hits or breaches the price level specified. If placed above the current market price, the order is filled immediately at the best available price below or at the limit price.

Limit orders to sell are placed above the current market price and are triggered when the Bid price hits or breaches the price level specified. If placed below the current market price, the order is filled immediately at the best available price above or at the limit price.

When a limit order is triggered, it is immediately filled at the market price that triggered it. Note that the price at which your Order is filled may differ from the price you set for the order if the market breaches the price rather than hitting it.

### **Take Profit Order**

A Take Profit Order automatically closes an Open Position when the price reaches your specified Take Profit Order price. Take Profit Orders are used to lock-in profits when you are unavailable to monitor your Open Positions. For example, if you are long USD/JPY at 109.58 and you want to take your profit when the rate reaches 110.00, you can set this rate as your Take Profit Order. If the Ask price reaches 110.00, the Open Position is closed by the Trading Platform and your Transaction's gross profit is generated. Your Transaction is closed at the current market rate. In a fast-moving market, there may be a gap between the current market rate and the rate you set as your Take Profit Order (so the exact Transaction price cannot be guaranteed).

### **Stop Order**

Stop orders are commonly used to enter a market and to stop losses when the market hits predefined levels.

Stop orders to sell are placed below the current market price and are triggered when the Ask price hits or breaches the price level specified. If placed above the current market price, the order is filled immediately at the best available price.

Stop orders to buy are placed above the current market price and are triggered when the Bid price hits or breaches the price level specified. If placed below the current market price, the order is filled immediately at the best available price.

When a stop order is triggered, it is immediately filled at the market price that triggered it. Note that the price at which your order is filled may differ from the price you set for the order if the market breaches the price rather than hitting it.

### **Stop Loss Orders**

Fort Securities Australia may, in its discretion, accept an Order from you to close a position if the price moves to or beyond a level specified by you. This is known as a "Stop Loss Order".

You would generally choose to place a Stop Loss Order to provide some risk protection. Stop Loss Orders are commonly used to exit positions and to protect investments if the market moves against an Open Position.



For example, if your Open Position moves towards making a loss based on a level chosen by you, the Stop Loss Order would be triggered to try to close your Open Position.

Stop Loss Orders to sell are placed below the current market level and your Stop Loss Order would be executed i.e. triggered if our Sell price (for a Stop Loss Order that requires an Order to sell a contract) moves against you to a point that is at or lower than the level specified by you (and accepted by us). Conversely, a Stop Loss Order to buy is placed above the current market level and your Stop Loss Order would be executed i.e. triggered if our Bid price (for a Stop Loss Order that requires an Order to buy a contract) moves against you to a point that is at or above the level specified by you (and accepted by us).

While Fort Securities Australia has absolute discretion whether to accept a Stop Loss Order, it will generally try to do so, subject to market conditions and the reasonableness of your Stop Loss Order. Your Order may be unreasonable if, for example, the level you have specified is too far away from the market price or trading in the Underlying Instrument has been halted or suspended on the market.

Even if we accept your Stop Loss Order, market conditions may move against you rapidly. It is possible that you may receive the best available price on the market which is worse than the one you have requested from Fort Securities Australia. A gap in market prices reflects the market for the contracts, so can occur for any reason, without any apparent reason or at any time.

### **Trailing Stop Order**

A Trailing Stop Order is a Stop Loss Order where the stop price “trails” the spot price. As the market rises (for long positions) the stop price rises according to the proportion you set, but if the market price falls, the stop price remains unchanged. This type of Stop Loss Order helps you to set a limit on the maximum possible loss without limiting the possible gain on a position. It also reduces the need to constantly monitor the market prices of Open Positions.

Example: you expect the price of an instrument to rise and reach at least 1.5710 by the end of the day. You open a long position at 1.5680. To limit any potential loss, you place a trailing stop Order at 1.5670 with a distance to market of 10 and a trailing step of 5. During the day the market rises as predicted and the trailing stop follows. When the price suddenly drops to 1.5700, the trailing stop price has reached 1.5705 and is triggered. You have thereby not only protected your initial investment, but you have also managed to keep a good proportion of the profits.

When setting the stop price, you should be careful not to set it too close to the current market price, especially in a volatile market, so the stop price might be hit before the price starts to go up/down as you expect. On the other hand, you should carefully consider how much you can afford to lose, if your prediction does not hold.

In any case, the stop loss order, of any kind, is not a guarantee that it will be made. This is the case with any Order you place (and which is accepted by Fort Securities Australia) if it is made in accordance with the Agreements.

## **2.11 WHAT IS THE MINIMUM TRADING SIZE, THE MAXIMUM TRADING SIZE AND THE MINIMUM BALANCE TO OPEN AN ACCOUNT?**

The size of your Contract must exceed the relevant Minimum Trading Size and must not exceed the relevant Maximum Trading Size and the Minimum Trading Size. The Maximum Trading Size may be changed from time to time.

The minimum balance to open an Account is set out on our Website and may be varied at our discretion.

When trading in the Products, you may deposit an amount of funds that suits you and which is in line with the amount you are willing to risk.

## **2.12 HOW DO YOU INSTRUCT US?**

Fort Securities Australia only accepts dealing instructions via the Trading Platform. You are required to access the Trading Platform on a regular basis to confirm that your instructions have in fact been received by us, reconfirm all Orders that you place with us, review any confirmation we provide, ensure accuracy of your Orders and monitor your Margin obligations. Any discrepancies identified must be reported to us immediately.

We do not accept request for Orders over the phone, by email or any other means, unless we have previously agreed with you to do so.

It is possible for a third party to place Orders on your behalf provided that the relevant requirements in the Client Agreement are complied with by you.

## **2.13 WHAT IS MARGIN?**

To place a trade that creates an open Contract you are required to pay us, or have in your Account, the Margin for that trade as calculated by us (**Initial Margin**).

In addition to the Initial Margin, you have a continuing obligation in relation to Margin in respect of all open Contracts on your Account, known as the **Variation Margin**.

Margin Requirements will fluctuate typically with the value of the Underlying Instrument on which the Contract is based. Further, where you deal in a Contract that is denominated in a currency other than the Base Currency of your Account, your Margin Requirement may also be affected by fluctuations in the relevant foreign exchange rate.

For detailed information please refer to Section 5.

## **2.14 WHAT IS A MARGIN CALL?**

A Margin Call is a call on you to top up the amount of money you have in your Account as Margin. You can monitor your Margin Requirements using the Trading Platform or otherwise by contacting us.

## **2.15 DO YOU RECEIVE INTEREST ON MONIES HELD IN YOUR ACCOUNT OR PAY INTEREST ON MONIES YOU OWE TO US?**

We do not pay interest on any credit balances on your Account.

## 2.16 WHAT HAPPENS IF YOU HOLD A CONTRACT OVERNIGHT?

When you hold a Contract overnight, it will be rolled to the next Business Day which will result in you paying a Swap Charge or receiving a Swap Benefit. You should refer to our Trading Platform for detailed information on whether a Swap Charge or Swap Benefit is applicable to a particular Product.

No Swap Charge is paid or Swap Benefit is received in the case of Excepted Contracts; but there will be a Rollover Charge or Rollover Benefit.

For further information, please refer to Section 8.

## 2.17 WHAT ARE THE RISKS OF TRADING THE PRODUCTS?

Our Products are OTC derivatives that are complex, highly leveraged and carry significantly greater risks. Please read Section 3 of this PDS for further information.

**You cannot lose more than the initial investment.** You may incur losses to the extent of your total exposure to us and any additional fees and charges that apply.

It is important that you understand that when you enter into a Product you are not trading in and do not own or have any rights to the Underlying Instrument.

You should obtain your own independent financial, legal, taxation and other professional advice as to whether our Products are an appropriate investment for you.

## 2.18 WHAT ARE THE TAXATION IMPLICATIONS OF ENTERING INTO OUR PRODUCTS?

The taxation consequences of dealing in our Products depend on your personal circumstances. Some general taxation consequences are set out in Section 9.

The taxation consequences 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 trading Margin FX Contracts and CFDs on your particular financial situation.

## 2.19 HOW DO I LEARN TO USE THE TRADING PLATFORM?

Our Trading Platform contains an extensive user guide which is accessible from the "Help" menu. We also provide free practice accounts also known as Demo Accounts.

Please contact our Client Services Department for further details.

## 2.20 WHAT IF I NEED FURTHER INFORMATION?

You can contact us by our contact details listed out in Section 1.6 for further information.

## 3. KEY INFORMATION ABOUT OUR PRODUCTS

### 3.1 KEY FEATURES OF THE PRODUCTS

You must understand that:

- the Products are OTC derivatives issued by Fort Securities Australia. They are not Exchange-



- traded;
- the Products are for investing indirectly in the price movement of a range of instruments (Underlying Instrument) without having to own and pay full value of the Underlying Instrument;
  - your Account must be funded before Contracts are issued to you. You do this by paying at least the Initial Margin;
  - you remain liable to pay later Variation Margins and to maintain compliance with the Total Margin Requirements. If you fail to do so, your Contracts can be closed out;
  - Unlike Exchange-traded products, the Products are not standardised. The terms of a Contract may, in our discretion, be individually tailored to the requirements of the parties to the Contract – you and us; and
  - You have no right or obligation to acquire the Underlying Instrument itself.

### 3.2 KEY BENEFITS OF THE PRODUCTS

The Products provide an important risk management tool for those who manage foreign currency or exposures in the Underlying Instrument of a CFD. The significant benefits of using the Products as a risk management tool are to protect your exchange rate or movements in the Underlying Instrument of the CFD and provide cash flow certainty. Other benefits of using the Products apply equally for a client as a risk management tool or for the client who is a trader or speculator and these are described below:

<p><b>Protect from market movement</b></p>	<p>The Trading Platform provided by Fort Securities Australia enables you to trade in the Products over the internet. The Trading Platform allows you to deal in various Products to protect yourself against adverse market swings.</p> <p>Fort Securities Australia also offers different types of Orders that enable you to manage volatility. You may manage downside risk by the use of Stop Loss Orders if the market rate reaches a particular level. In addition, you may use Limit Orders which allow you the opportunity to benefit from favourable upside market movements.</p>
<p><b>Provide cash flow certainty</b></p>	<p>By agreeing a rate now for a time in the future you will determine the exact cost of that Underlying Instrument, thereby giving certainty over the flow of funds. Any profit (or loss) you make using the Products would be offset against the higher (or lower) price you physically have to pay for the Underlying Instrument.</p> <p>In addition to using the Products as a risk management tool, you may also benefit by using the Products to speculate on changing market movements. You may take a view of a particular market or the markets in general and therefore invest in the Products according to this belief in anticipation of making a profit.</p>
<p><b>Trade in small amounts</b></p>	<p>Fort Securities Australia allows you to make transactions in small amounts. When trading in the Products you may trade an amount that suits you and which is in line with the amount you are willing to risk.</p>

<b>Access to the Underlying Markets at any time when they are open</b>	<p>The Products enable you to take a trading position with an exposure to a particular Underlying Instrument without needing to buy or sell the actual full value of the Underlying Instrument.</p> <p>Fort Securities Australia provides you with access to an advanced and multi-levelled system that gives you an opportunity to react quickly to breaking news that is affecting the Underlying Markets. It should be noted however, that trading in various markets is restricted to hours where Underlying Markets and the Trading Platform are both open.</p>
<b>Speculation</b>	<p>You can also use the Products for speculation, with a view to possibly deriving gains from fluctuations with respect to the Underlying Instruments. Speculation may result in losses rather than gains.</p>
<b>Superior foreign exchange liquidity</b>	<p>The foreign exchange market is usually very liquid as there are typically a large number of buyers and sellers trading at any one time. The liquidity of this market, particularly with respect to that of the major currencies, helps ensure price stability and low spreads. We do note that during events liquidity can vary.</p>
<b>Real time streaming quotes</b>	<p>The Trading Platform uses sophisticated technologies in order to offer you current quotes.</p>

### 3.3 SIGNIFICANT RISKS OF THE PRODUCTS

Trading in the Products carries a high level of risk. Some of the key risks include, but are not limited to, the following:

<b>Derivative risk generally</b>	<ul style="list-style-type: none"> <li>• you could sustain a total loss of the amount that you deposit with Fort Securities Australia held in your Account;</li> <li>• under certain market conditions, it could become difficult or impossible for you to manage the risk of any open Contracts by entering into opposite Contracts or closing out existing Contracts;</li> <li>• under certain market conditions, the prices of Contracts may not maintain their usual relationship with the market of the Underlying Instruments;</li> <li>• a high degree of leverage is obtainable in trading the Products because of the small Margin Requirements. The use of leverage can work against you as well as in favour of you;</li> <li>• as a result of high volatility, low liquidity or gapping in the underlying market, you may receive re-quotes, slippage or Hanging Orders. Hanging Orders are often already executed, but sitting in the terminal window until they can be confirmed;</li> </ul> <p>there is no clearing house for the Products, and the performance of a Contract is not 'guaranteed' by an Exchange or clearing house.</p>
<b>Loss from Leverage</b>	<p>A high level of leverage is obtainable in trading Margin FX Contracts and CFDs. However, the small Margin Requirements can work against you and lead to potentially large losses, however you cannot lose more than your deposit. The use of leverage will also increase the chances of the need for</p>

	<p>Margin payments. The leveraged nature of Margin FX Contracts and CFDs is that even a slight fluctuation in the market could lead to a proportionately much larger movement in the value of your investment, and you can lose the entire amount of your deposit.</p> <p>Example:</p> <p>EUR/USD is trading at 1.12000 and your Account equity is €10,000 EUR. You believe that the price of EUR/USD will fall, so you sell 1 lot (100,000 EUR) of EUR/USD at 1.12000. Your leverage on this trade is therefore 10:1 relative to your Account equity.</p> <p>Five days later the price of the EUR/USD has risen to 1.12500 and you choose to close your Contract at this price by selling 1 lot (100,000 EUR) of EUR/USD at 1.12500. The net movement for EUR/USD has been: <math>(1.12500 - 1.12000) / 1.12000 * 100 = 0.44\%</math>.</p> <p>However, as your leverage on this trade was 10:1 the loss was much larger than 0.44% as a proportion of your Account equity. Your loss on this trade, ignoring any other fees and charges, will be <math>100,000 * 0.00500 = \\$500</math> USD or <math>500 / 1.12500 = €444.44</math> EUR at the time the trade is closed. As a proportion of your starting Account equity, this loss has resulted in an equity loss of <math>444.44 / 10,000 * 100 = 4.44\%</math> on your Account. Because the size of the trade was 10 times larger than the Account equity, the profit or loss from any price movement on EUR/USD is also amplified by 10 times.</p>
<p><b>Margin risk</b></p>	<p>You must maintain sufficient funds in your Account to satisfy the Total Margin Requirements. You should be aware there is a high risk of Margin Requirements changing, and at times very rapidly. Failure to meet those Margin Requirements may result in:</p> <ul style="list-style-type: none"> <li>• some or all of your open Contracts being closed or liquidated by us with little or no notice to you;</li> <li>• you being prevented from opening new Contracts or extending existing Contracts;</li> <li>• any Approved Securities being liquidated or sold by us without notice to you; and</li> <li>• you being liable for interest charges on negative or debit balances.</li> </ul> <p>Further, any additional funds must become cleared before they will be taken as satisfying your Margin Requirements. Your Position may be liquidated before you have an opportunity increase your funds in the Account.</p>
<p><b>Client Monies may be withdrawn to pay Fort Securities Australia</b></p>	<p>The money which you pay into our Client Moneys trust account may be withdrawn to pay us moneys to which we are entitled. This includes amounts for any realised losses as well as for any fees, charges and costs.</p>

	Those monies withdrawn to pay us are our moneys (and are not held for you), reducing the amount of money held in our Client Money trust account held beneficially for you.
<b>Foreign exchange risk</b>	<p>Foreign currency conversions required for your Account can expose you to foreign exchange risks between the time the Contract is entered into and the time the relevant conversion of currencies occurs.</p> <p>Foreign exchange markets can change rapidly. This exposes you to potentially adverse changes in the value of your Account, which can be large (depending on foreign exchange rates) and volatile. This will directly affect the value of a Contract.</p>
<b>Cryptocurrency CFDs risk</b>	Please refer to the detailed explanation in Section 3.5.
<b>Gapping risk</b>	<p>The term 'gapping' refers to a situation where a Contract opens at a much higher or lower price than the previous close. In currency trading 'gapping' typically occurs when the currency re-opens for trading after a weekend. When 'gapping' occurs, you may not be able to exit an existing Position at the price you have specified. Instead, your Order may be filled at the next best price that may be better or worse.</p> <p>Our ability to close out a Position depends on the market for the Underlying Instrument. Stop Loss Orders (and other Order types) might not always be filled and, even if placed, might not limit your losses to the amount specified in the Order, since they are not guarantees that there will be no loss.</p> <p>You should consider placing Stop Loss Orders or other Orders that might limit your losses, if such Orders exist at the time you opened your Position, but also closely monitor your Account and the relevant market in case the Stop Loss Order is not fully filled or not filled at all and you need to take further action to limit your losses.</p>
<b>Execution (Slippage) risk</b>	<p>We aim to provide the best possible execution from our systems and fill Orders at the requested rate. However, there may be times where, due to an increase in volatility or volume or other market conditions, some price 'slippage' may occur. This generally occurs during significant news events or 'gapping'.</p> <p>Execution is also subject to available liquidity in the Underlying Instrument. Your Orders may not be filled due to the Underlying Instrument price moving significantly or liquidity exhausted, in which case your Order will be filled at the next available price.</p> <p>For the benefit of our clients, we treat slippage in the same way that they would be treated in the Exchange-traded products in that we slip our clients to a better price if the interbank market from which we obtain prices has moved in your favour, and similarly a worse price if the market has moved against you. When executing our clients' transactions, our execution will</p>

	reflect both positive and negative price movements in the Underlying Instrument.
<b>Execution risk (Delays)</b>	Execution delays may occur for a number of reasons such as technical issues with your internet connection to our servers. Connection strength may vary depending on the kind of device used. Interruptions may cause a delay in the transmission of data between our servers to the Trading Platform.
<b>Execution risk (Hanging Orders)</b>	During periods of high volume, Hanging Orders may occur. This is where an Order sits in the “orders” window after it has been executed. Generally, the Order has been executed, but it is simply taking a few moments for it to be confirmed. During periods of heavy trading volume, it is possible that a queue of Orders will form. That increase in incoming Orders may sometimes create conditions where there is a delay in confirming certain Orders.
<b>Liquidity risk</b>	Liquidity risk typically occurs in volatile markets or in circumstances where there is a major news announcement. When there is a lack of liquidity in the Underlying Instrument, you may not be able to enter or exit a Contract at your requested price or have the whole of your Contract filled at all or at the requested price.
<b>Market risk</b>	<p>Financial markets are subject to high volatility causing rapid price fluctuations. This is primarily due to external influences and unforeseen events. This affects prices and spreads of the Products.</p> <p>There is no guarantee or assurance that you will make profits, or not make losses, or that unrealised profits or losses will remain unchanged.</p> <p>You can reduce your risk by understanding the market relevant to the Products, monitoring your Positions carefully and closing your open Positions before unacceptable losses arise.</p>
<b>Market disruptions</b>	<p>A market disruption may lead to you being unable to deal in the Products when you wish, and you may suffer a loss because of that. This is because the market disruption events which affect the Underlying Instrument will also affect the Contracts on the same or very similar basis.</p> <p>Examples of disruptions include the “crash” of a computer-based trading system, a fire or other Exchange emergency, or an Exchange or government regulatory body declaring an undesirable situation has developed in relation to series of Products or any Underlying Instruments and suspends trading in those products or currencies or cancels that trade.</p> <p>You can attempt to minimise the effect of market disruptions by obtaining information released by the market relevant to the Position and acting after the event as appropriate (if any) to the position held, such as closing out because the values have significantly changed since before the event.</p>

<b>System risk</b>	Operational risk is inherent when trading online. Disruptions in operational processes such as communications, computer networks or external events may lead to trade execution problems.
<b>Auto liquidation</b>	<p>Fort Securities Australia may without prior notice to you liquidate some or all your open Contracts if your Account balance reaches or falls below the Stop Out Level applicable to your Account. This can generate fees and realised losses in your Account.</p> <p>The more basic risks to you are that you fail to manage your own Account by maintaining adequate Margin Requirement, you fail to monitor your open Positions or you fail to manage your open Positions before the Account balance reaches or falls below the Stop Out Level applicable to your Account.</p> <p>You can manage the risk of us liquidating some or all your open Contracts, or the risk of you wrongly relying on Fort Securities Australia to do this, by carefully monitoring your open Positions, placing and maintaining prudent Orders (including Stop Loss Orders), if such exist at the time you opened your Contract and managing your open Contracts before the Account balance reaches or falls below the Stop Out Level applicable to your Account.</p>
<b>Cancellation for error</b>	<p>Fort Securities Australia may void from the outset any Contract containing or based on any manifest error or a price, or series of prices, which are subsequently determined to be unrepresentative of the actual market valuation of the Underlying Instrument. This is exercised in our discretion, so you have risk of a Contract later being cancelled, whether or not you were aware that there was an error in the pricing which we later decide has occurred. In the absence of our fraud or wilful default, we will not be liable to you for any loss, cost, claim, demand or expense following any such cancellation.</p> <p>We consider this to be a low risk, since it does not occur often, but it can occur. You can manage this risk by monitoring the available prices and your Account.</p>
<b>Conflicts</b>	<p>Trading with us carries an automatic risk of actual conflicts of interest because Fort Securities Australia is acting as principal in the Products you acquire and Fort Securities Australia sets the price of each Contract and also because it might be transacting with other persons, at different prices or rates, or Fort Securities Australia might be dealing with market participants in relation to our exposure to you or to any aspect of our clients' Accounts.</p> <p>You can monitor the pricing of any Products against other issuers of financial products which have comparable terms, and against the Underlying Markets.</p>

<p><b>Valuation</b></p>	<p>Fort Securities Australia decides the values of the Products issued to you. Typically, this is by some reference to (but not automatically solely derived from) the market value (or, if relevant, index level) of the relevant Underlying Instrument on the relevant Underlying Market which in turn affects the price quoted by any relevant hedging counterparty to us. Fort Securities Australia does not commit to providing prices directly from a market.</p> <p>If the market fails to provide that information (for example, due to a failure in trading systems or data information service) or trading in the Underlying Instrument is halted or suspended, Fort Securities Australia determines its value based only on its own information (not market pricing).</p> <p>Due to the nature of our financial products, our discretion is unfettered and so has no condition or qualification.</p> <p>While there are no specific limits on our discretions, Fort Securities Australia must comply with its obligations as a financial services licensee to act efficiently, honestly and fairly. You therefore have the risk of relying on whatever value is determined by us in the circumstances permitted by the Agreements.</p>
<p><b>Not a regulated market</b></p>	<p>Our Products are OTC derivatives and are not covered by the rules for Exchange-traded products. For example, trading on the ASX is governed by rules applicable to brokers and generally has the benefit of a guarantee system known as the National Guarantee Fund which provides protection from fraud or misconduct by brokers in connection with certain ASX trades. The ASX rules and the National Guarantee Fund do not apply to trading in the Products.</p> <p>OTC derivatives by their nature may not at times be liquid investments in themselves. If you want to exit a position, you rely on our ability to close out at the time you wish, which might not match the liquidity or market price of the Underlying Instrument.</p> <p>You can reduce your risk by carefully reading this PDS, the Client Agreement and taking independent advice on the legal and financial aspects relevant to you.</p>
<p><b>Regulatory bodies and changes</b></p>	<p>Changes in taxation and other laws, government fiscal, monetary and regulatory policies may have a material adverse effect in your dealings with us.</p> <p>Further, you may incur losses that are caused by matters outside the control of us. For example, actions taken by a regulatory authority exercising its powers during a market emergency may ultimately result in losses to you because of the effect of those actions on the Underlying Instrument and so, will affect the terms of your Contracts and/or Accounts (with or without any decision by us).</p>

	A regulatory authority can, in extreme situations, suspend trading or alter the price at which a position is settled, which might lead to changes to the pricing for the Underlying Instrument for your Contracts.
<b>Counterparty risk</b>	Please refer to Section 3.4 below.
<b>Fort Securities Australia's power on default, indemnities and limitations on liability</b>	<p>If you fail to pay amounts due to us or fail to perform any obligation under your Contracts, Fort Securities Australia has extensive powers under the Client Agreement to take steps to protect our position.</p> <p>For example, Fort Securities Australia has the power to close out Contracts, to decide whether to accept Orders, to execute them and/or to determine the rates of interest we charge. Additionally, under the Client Agreement, you agree to indemnify us for our losses and liabilities, including, for example, in default scenarios.</p> <p>Although these powers, limits on the liability of Fort Securities Australia and the indemnities you give to Fort Securities Australia are extensive and potentially expose you to significant risks, Fort Securities Australia must comply with our obligations as a financial services licensee to act efficiently, honestly and fairly.</p> <p>You should read the Client Agreement carefully to understand these matters.</p>

### 3.4 KEY RISK – COUNTERPARTY RISK

Trading in the Products involves counterparty risk. First, there is a risk to you that Fort Securities Australia, as issuer of the Products, and therefore, your counterparty to the Products, may default on our obligations to you regarding the Products.

There is also a risk that parties, such as our hedging counterparties may not be able to meet their contractual obligations to Fort Securities Australia. This means that Fort Securities Australia could be exposed to the insolvency of our hedging counterparties or other defaults by our hedging counterparties.



### **Benchmark 3 – Hedging**

Credit risk refers to the risk that our hedging counterparties fail to perform its obligations which results in financial loss. We have put in place a risk management framework which is intended to manage the credit risk and market risk and to protect us and our clients from sudden changes in the liquidity, credit quality or solvency of our hedging counterparties.

You will be dealing in the Products with Fort Securities Australia as counterparty to every Contract. You will have an exposure to us in relation to each Contract. You will be reliant on our ability to meet our counterparty obligations to you to settle the relevant Contract. If we default on our obligations, you may become an unsecured creditor in an administration or liquidation and will not have recourse to any Underlying Instruments in the event of our insolvency.

We enter into OTC derivative transactions as principal with other counterparties to hedge the market risk arising from our transactions with you (and our other clients). We do not use monies received from you for Margin Calls and settlements to such providers.

We are also exposed to the financial risks of the financial institutions with which we hold Client Money (e.g. Margin) and with which we enter into hedging or offsetting transactions to manage our exposure to you. Accordingly, you are indirectly exposed to the financial risks of our counterparties as well as the financial institutions with which we hold Client Money. If the financial condition of us or assets of our counterparties or the parties with which we hold Client Money deteriorate, then you could suffer loss because the return of the Client Money could become difficult.

Within our risk management framework, we have assessed the market risk and counterparty risks arising from entering into transactions with you (and our other clients) and hedging counterparties and applied controls to mitigate those risks. Those controls include:

- the enforcement of leverage limits based on your Account and types of Products you trade;
- the enforcement of market risk limits on our net exposure and daily loss limits; and
- the selection and maintenance of one or more hedging counterparty relationships.

Our selection of hedging counterparties is based on the following factors:

- the counterparty's reputation;
- the regulatory status of the counterparty;
- the services provided; and
- the strength of operational controls and systems.

Our current Hedging Counterparty Policy, which notes our current approved hedging counterparties, is available on our Website.

### **Benchmark 4 – Financial resources**

As an issuer of OTC derivative products with regards to the Products, Fort Securities Australia must comply with the financial requirements imposed under our AFSL as set out in ASIC Regulatory Guide 166 and other regulatory financial obligations. The goal of these requirements is to ensure that we meet the minimum level of financial resources required by law to conduct business and meet any liabilities as and when they may arise.

Fort Securities Australia monitors our exposure on a daily basis using real-time software tools and prepare detailed financial reports on a monthly basis to ensure applicable financial requirements are met. We also:

- perform daily reconciliation of Client Monies as required by section 2.2.1 of the ASIC Client Money Reporting Rules 2017;
- perform monthly reconciliation of Client Monies and report to ASIC as required by section 2.2.2 of the ASIC Client Money Reporting Rules 2017;
- perform a daily net tangible assets (NTA) calculation, ensuring that we meet the minimum NTA requirement set by ASIC; and
- perform quarterly stress testing ensuring that in the event of significant adverse market movements, we would have sufficient liquid resources to meet our obligations to you and our other clients without needing to have recourse to Client Money to do so.

Fort Securities Australia expects the first audited financial statements to be available after April 2020 and a copy can be obtained by contacting us at that time.

### **3.5 KEY RISK – CRYPTOCURRENCY CFDs**

Cryptocurrency CFDs offered by Fort Securities Australia can expose you to fast and large changes to the value of your Contract and to your Account, potentially triggering the need for more funds as Margin, including at short or no notice. Cryptocurrency CFDs have other risks, such as possible delays in closing out due to underlying illiquidity, or volatility or early close out due to up to the underlying cryptocurrency.

There is no regulated market for cryptocurrencies. This affects the pricing, liquidity, integrity of the markets and any Exchange used for dealing in the cryptocurrencies which are the Underlying Instruments. Exchanges offering pricing for cryptocurrencies have little or no regulation or protections for users of them. Exchanges may be partly centralised, decentralised or some other combination of order book facilities. These factors affect the pricing, liquidity and cost of transactions in cryptocurrencies, which can correspondingly affect the pricing of our Cryptocurrency CFDs.

Cryptocurrencies rely on a number of key factors which are not present in other Underlying Instruments and Underlying Markets, such as technology inherent in the software for the cryptocurrency, nodes and mining of cryptocurrencies. These are technical features which are outside the scope of this PDS so you should be familiar with the key features of cryptocurrencies before dealing in a Cryptocurrency CFD in relation to them. None of these are regulated or backed by any government or voluntary institution, so there are additional risks inherent in cryptocurrencies, and their predictability is much more uncertain. Cryptocurrencies have experienced a range of issues, such as forking or delays in transactions, which can affect the pricing of our Cryptocurrency CFDs.

It is possible that some cryptocurrencies may become worthless, leading to your Cryptocurrency CFDs becoming worthless.

Please note that this PDS does not disclose all of the risks of cryptocurrencies.

Fort Securities Australia does not own or control the underlying software protocols which govern the operation of cryptocurrencies available as Underlying Instruments for our Cryptocurrency CFDs for trading on our Trading Platform. In general, the underlying protocols are open source and anyone can use, copy, modify, and distribute them. There is no guarantee of their functionality, security, or availability. The underlying protocols are subject to sudden changes in operating rules (forks) and other events and



transformations. Such forks, transformations and other events may materially affect the value, function or even the name of the cryptocurrency.

Fort Securities Australia may, in its sole discretion:

- temporarily suspend access to certain or all Cryptocurrency CFDs;
- decide not to support (or to cease supporting) the forked protocol entirely or the cryptocurrency resulting from such event; or
- delay offering Cryptocurrency CFDs, which means you would not be able to close out any open Positions.

In our sole discretion we may decide (but for avoidance of any doubt we are not obliged to do so) to adjust your Account in respect of a fork or other event depending on the circumstances of each event attributable to any specific cryptocurrency. Fort Securities Australia assumes absolutely no responsibility whatsoever in respect of an unsupported branch of a forked protocol or the cryptocurrency resulting from such event.

If at any time any of the cryptocurrencies that is an Underlying Instrument for your CFD is delisted or we no longer support the cryptocurrencies for any reason, then the applicable CFD may be immediately closed. If Fort Securities Australia is notified that a cryptocurrency which is the Underlying Instrument for your CFD which you hold in your Account is likely to be delisted or removed or cancelled from any of the Exchanges (some of them or all) and Fort Securities Australia believes that it (or its hedge counterparty) will not be able to trade in such cryptocurrencies, or if there is another significant disruption to a market for a cryptocurrency or the cryptocurrency itself is subject to a significant disruption, then Fort Securities Australia may exercise its discretions to adjust the pricing or to terminate our Cryptocurrency CFD. It will do so in accordance with its obligations and duties, acting reasonably for the market as a whole, without having to consider any particular client.

Under certain market conditions, you may find it difficult or impossible to liquidate an open Position for a Cryptocurrency CFD. This can occur, for example, when the market reaches a daily price fluctuation limit ("limit move"), or if there is insufficient liquidity in the market.

Our Cryptocurrency CFDs should be seen as an extremely high risk investment. You should never invest funds that you cannot afford to lose.

Given the foregoing, cryptocurrencies are not appropriate for all investors. **You should not deal in these CFDs unless you have the necessary knowledge and expertise and you understand these products' characteristics and your exposure to risk. You should also be satisfied that the product is suitable for you in light of your circumstances and financial position.**

The risk of loss in trading our Cryptocurrency CFDs can be substantial. You should, therefore, carefully consider whether such trading is suitable for you in light of your circumstances and financial resources. You should be aware that you may sustain a total loss of the funds in your Account. If the market moves against your position, you may be called upon by us to provide a substantial amount of additional Margin on short notice, in order to maintain your position. If you do not provide the required Margin within the time required by us, your Position may be liquidated at a loss.

Fort Securities Australia currently does not allow trading in our Cryptocurrency CFDs over the weekend. All open Positions on Cryptocurrency CFDs will be closed-out at Friday's closing level, settlement will take place at 20:45 GMT.

You can manage these risks by only investing in our Cryptocurrency CFD if you are experienced in the cryptocurrency, you manage your exposure by limiting your exposure, placing appropriate orders and carefully and frequently monitoring your open Positions.

Since your Margin Requirements for our Cryptocurrency CFDs may be large, and may be increased over the weekend, you can help to manage your risks by carefully considering the amount of Margin you have in your Account, the risks of all of your open Contracts and your capacity to trade or to provide more Margin immediately, even outside of banking payment hours.

## **4. HOW TO TRADE?**

### **4.1 YOUR ACCOUNT**

Before you begin dealing in the Products, you should read the contents of this PDS, the Client Agreement and the FSG and decide whether the Products are suitable for you.

To establish an Account, you will need to complete an online Application Form. By submitting the completed Application Form, you agree to the Client Agreement. We may reject your Account application in our sole discretion.

We will ask you questions that help us assess your suitability to trade the Products. If we decide that you do not have the relevant experience, we may recommend that you open a Demo Account prior to opening a live Account. Please refer to Section 6 for our Client Qualification Policy.

This PDS summarises many important elements of the Client Agreement. However, it is not a comprehensive description of the Client Agreement and you must read the Client Agreement in its entirety. You should also consider seeking legal advice before entering into any transaction, as the Client Agreement contains important legal provisions that affect your dealings with us.

If Fort Securities Australia accepts your application, your Account will be established.

### **4.2 OPENING A DEMO ACCOUNT**

If you are unsure about how the Products work, we strongly encourage that you apply for a Demo Account and trial our Trading Platform prior to opening a live Account.

Our Demo Accounts mirror our live Trading Platform and provide you with a virtual balance to trade with. This enables you to become familiar with the Trading Platform features and whether or not you feel that the Products are suitable for you.

### **4.3 BASE CURRENCY**

We can apply a Base Currency to your Account in the major currencies - Australian dollar (AUD), United States dollar (USD), Euro (EUR) and Great British pounds (GBP) and other currencies as allowed by us from time to time.

Monies received by us from you in a different currency to that of your chosen Base Currency will be converted back to the Base Currency at the exchange rate set by us.

All the financial information within your Account is displayed in the Base Currency.



When you deal in a Product that is denominated in a currency other than your Base Currency, all financing adjustments are made by us in that currency and then converted to your Base Currency at our current exchange rate.

#### **4.4 FUNDING OF YOUR ACCOUNT**

To make a payment into your Account, you may bank wire transfer, make a credit card payment or otherwise through any other means agreed by us. A full list of payment options is set out on our Website.

When transferring funds to Fort Securities Australia you must ensure that the funds are appropriately referenced with your Account number to enable us to easily identify your funds and apply them to your Account promptly. All payments made to Fort Securities Australia must be free of any withholding tax or deduction.

We will use all reasonable efforts to process your withdrawal using the same payment option you have used to fund your Account. Where this is not possible for any reason, we will pay you through electronic transfer.

Fort Securities Australia does not accept funds transferred from third parties, so it is your obligation to ensure that all funds transferred to us are from a bank account in a name which matches your Application Form. We may, in our absolute discretion, without creating an obligation to do so, return any funds transfer or cheque received from a third party back to the bank account from which it was transferred.

Fort Securities Australia will not accept any liability or responsibility for any losses that you may suffer as a result of, or arising out of, or in connection with, us returning any transfer of money or cheque from a third party, including any losses incurred by you because you are subsequently in default of your obligations under the Client Agreement.

##### **Benchmark 2 – Opening Collateral**

We only accept cash or cash equivalent as opening collateral or funding of your Account. Fort Securities Australia does not accept cash in hand or physical cash deposits into any of our bank accounts, due to risks associated with money laundering.

We do not encourage the use of borrowed funds to purchase the Products. We attempt to limit the use of credit cards to fund an Account but note that with the advent of Visa and MasterCard Debit Cards it is not possible for us to distinguish between a debit and credit card. For this reason, we have not adopted the Opening Collateral Benchmark suggested by ASIC in Regulatory Guide 277 as it would impede your ability to use debit cards to fund your Account.

#### **4.5 OPENING AND CLOSING OF A CONTRACT**

The particular terms of each Contract are agreed between you and Fort Securities Australia before entering into a Contract.

Prior to you entering into a Contract with us, Fort Securities Australia will require you to have sufficient funds in your Account to satisfy the Initial Margin requirements for the relevant number of Contracts. The payments you make to us are either held for Margin or withdrawn to pay the amounts for realised /unrealised losses or any fees and charges which you may owe.

A Contract is opened by either buying (going long) or selling (going short) a Contract:

- You go “long” when you buy a Contract in the expectation that the price of the Underlying Instrument to which the Contract relates will increase. This would have the effect that the value of the Contract would increase; and
- You go “short” when you sell a Contract in the expectation that the price of the Underlying Instrument to which the Contract relates will decrease. This would have the effect that the value of the Contract would decline.

A Contract is open until it is closed, and the amount of profit or loss to you can then be calculated.

In order to close a Position, you need to click the “close” button on the Trading Platform. The closure of a Contract will generally result in a profit or loss being realised in your Account. If you close a Contract, any related Orders you have placed against that Contract will be cancelled. However, please note that we may not be able to allow you to close a Contract at a particular time and/or at the particular price, for example, without limitation, due to gapping or illiquidity.

For Excepted CFDs, once a Contract hits its Expiry Date, it will be automatically “rolled” over to a new Contract. Before the applicable Expiry Dates, you may give instructions to us requesting to close, or we can exercise our rights to close as set out in clause 13.1 of the Client Agreement.

#### **4.6 DEALING IN THE PRODUCTS**

Quotes for prices for dealing in Products are indicative only and so are subject to the actual available price at the time of execution of your Order.

A quote given to you by us is not an offer to contract. Your clicking ‘buy’ or ‘sell’ on the Trading Platform will send a message to us indicating that you wish to trade on the terms and conditions indicated. This message will constitute an offer by you to buy or sell at the price and trade size chosen. If we accept your offer, the information about your offer to trade will appear on the Trading Platform. Your Order will not have been placed and no Contract will come into existence until this information is available on the Trading Platform. If the information about your offer to trade does not appear on the Trading Platform within two (2) minutes, you must notify us immediately. If you do not notify us, you will be deemed to have agreed only the transactions recorded by us. Similarly, if you dispute the contents of any transaction information sent by us to you, you must notify us immediately upon receipt by telephone or email. If you do not, the transaction recorded by us will be deemed to have been agreed by you.

While Fort Securities Australia may endeavour to execute your Order, there is no assurance that the Order will be able to be executed at the price of your Order.

Quotes will be given and Contracts made during the open market hours of the Underlying Markets. The open hours of the Underlying Markets may be available on our Trading Platform. Such hours may change according to the relevant Underlying Market’s changes or in our discretion and the information on our Trading Platform or our Website may not be up-to-date.

You should be aware that the market prices and other market data that you view through our Trading Platform, our Website or other facilities that you arrange yourself may not be current or may not exactly correspond with the prices for the products offered by us.

If you access your Account and our Trading Platform outside of the hours when Orders may be accepted, you should be aware that the Orders might be processed later when the Underlying Instrument is open



for trading. The market prices (and currency exchange values) might have changed significantly by the time the Order is executed.

You should note that Fort Securities Australia is not obliged to accept your Orders. Typically, this would occur should you exceed the limits imposed on your Account by us, or where there are insufficient funds in your Account to meet your Margin obligations.

#### **4.7 PRICING AND SPREAD FOR PRODUCTS**

Fort Securities Australia quotes a lower price and a higher price at which you can place your Order. This is referred to as the Bid/Ask spread. The higher quoted price is the indication of the price you can buy a Contract. The lower quoted price is the indication of the price at which you can “sell” a Contract (that is, close out an open Contract). Spread means the difference between the Bid Price and the Ask Price.

The calculation of the price for a Contract, at the time the Contract is opened or closed, will be based on market prices available at the time and the expected level of interest rates, implied volatilities and other market conditions during the life of the Contract and is based on a complex arithmetic calculation.

Fort Securities Australia sets the Bid/Ask Prices so these prices may not be the same as those quoted in the relevant Underlying Market. The Spread is incorporated into the price of the Contract quoted to you and is not an additional fee or charge payable by you. The Spreads we quote are generally wider than the Spreads available in the Underlying Market or quoted by our liquidity providers. The additional Spread represents our mark up.

When your Order is executed, for you to break even or before you can realise a profit, putting aside for the sake of simple illustration any fees or charges, the price at which you exit your Contract needs to have moved in your favour to at least equal to the original Bid or Ask Price that you started the Contract (depending on whether you went long or short).

In addition, the available pricing may be limited by tick sizes, minimum steps, depending on the general market rules for trading the Underlying Instrument or Fort Securities Australia’s hedging counterparties, so, depending on the Product you choose, your Order to exit your Contract might have to be in minimum increments of pricing before it can be accepted and executed. That could affect your net profit or loss.

#### **4.8 PRICING MODEL**

Fort Securities Australia offers prices for the Products based on its market making pricing model.

Although the prices of the Products on the Trading Platform are competitive, you should be aware that Fort Securities Australia is acting as principal to you and so is responsible for setting the prices of opening and closing Contracts and Fort Securities Australia does not act as your agent to find you the best prices.

#### **4.9 CONFIRMATIONS OF CONTRACTS**

If you transact in the Products, the confirmation of the Contract may be obtained only by accessing the daily statement online, which you can print for records. It is your obligation to review the confirmation of Contracts immediately to ensure its accuracy and to report any discrepancies within twenty-four (24) hours.

#### **4.10 BENCHMARK 6 – SUSPENDED OR HALTED UNDERLYING INSTRUMENTS**

Fort Securities Australia may at any time in our discretion and without prior notice impose limits on particular Products. Ordinarily we would only do this if the Underlying Market has become illiquid or its trading status has been suspended or there is some significant disruption to the markets including trading facilities.

If an Underlying Instrument to which a Contract relates is suspended or has been halted from trading, we will suspend trading in the Product and we may choose to increase the Margin Requirements to support that open Contract at our reasonable discretion. If the Underlying Instrument remains suspended for a period that we deem unacceptable to us in our sole discretion, we may close the open Contract at fair value as determined by us. If an Underlying Instrument to a Product has been de-listed or ceases to be priced, we reserve the right to close all affected open Contracts at the last available price.

## 5. MARGINS AND MARGIN CALLS

### 5.1 KEY FEATURES OF MARGINING

Fort Securities Australia applies the following main principles in relation to our Margin practices:

- You must provide Margin before issuance of any Products and you are liable to meet all Margin Calls;
- When you have open Contracts, you are obliged to maintain at all times the Total Margin Requirements for all of your open Contracts;
- The Margin Call obligation is in addition to your obligation to maintain the Total Margin Requirements for your Account. There is no limit as to when you need to meet your Margin calls, how often or the amount of the Margin Calls;
- The timing and amount of each Margin Call will depend on movements in the market price of the open Contracts and the changes to your Total Equity and funds available for Margin.
- You have an obligation to meet the Margin Call even if we cannot successfully contact you. We are not obliged to notify you about your obligation under Margin Calls, though we may do so by email, telephone call or otherwise, as a courtesy; and
- If you do not maintain the required Margin at all times or you do not satisfy the required Margin Call by the required time, one or more or all of your open Contracts with us will be closed out without notice to you

### 5.2 INITIAL MARGIN

Before you enter a Contract with us you will be required to provide us the Margin for that Contract. This is called the **Initial Margin**. The full value of the Initial Margin must be placed on your Account before a Contract is opened.

Fort Securities Australia sets the amount of the Initial Margin based on a number of factors, including but not limited to the Margin Percentage, the type of Product selected by you, our risk assessment of you, and any realised/unrealised loss. Prior to you entering into a Contract with us, you should check the Website for the applicable Initial Margin requirement.

If there are insufficient funds for a Contract to be opened (due to its Initial Margin requirement) then your Order will not be executed.

If a Contract is opened, your Account is adjusted, often continuously and quickly, for the applicable Total Margin Requirement according to market movements.



If you hold open Contracts and you place one or more trades in the opposite direction for Contracts with the same Underlying Instrument, the Initial Margin for the relevant open Contracts with the same Underlying Instrument will be partially offset. You will still be charged an Initial Margin but at a reduced rate.

### **5.3 VARIATION MARGIN**

Owing to the volatility of the market, the amount of required Margin may change after a Contract has been opened, requiring a further payment for Margin known as the Variation Margin. Margin amounts are calculated by us to cover potential movement in the market at any time but will change when the market changes (and might be insufficient coverage). If you have Contracts denominated in a currency other than the Base Currency, any fluctuations in the exchange rate adverse to your Contract can lead to automatic adjustments to your required Margin, so you need to monitor your Contracts very carefully.

### **5.4 TOTAL EQUITY AND TOTAL MARGIN REQUIREMENT**

Your Total Equity and your Total Margin Requirement are constantly calculated in line with movements in prices for the Products, during the opening hours of our Trading Platform, and these amounts are displayed on the Trading Platform. It is your responsibility to monitor and manage your open Positions and exposures and ensure that your Account is sufficiently funded at all times for Margin. This may include:

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

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

Please refer to our Website for Margin Requirement for each Product.

### **5.5 BENCHMARK 7 – MARGIN CALLS**

In normal circumstances we will endeavour to notify you of a Margin Call via alert within the Trading Platform. This serves as notice that your Contracts are at risk of being closed out.

You are responsible for meeting all Margin Calls and monitoring your open Contracts. You are required to log-in to the system regularly when you have open Contracts 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, Contracts will be closed out by us, without further reference to you, in accordance with the Agreements.

Margin Calls are made on a net account basis i.e. if you have several open Contracts, then Margin Calls are netted across the group of open Contracts. In other words, the unrealised profits of one Contract will be used or applied towards the Margin Requirement for another Contract.

A Margin Call will not be considered to have been met by cash UNLESS AND UNTIL sufficient funds have been received by us in the nominated account AND Fort Securities Australia has updated the Trading Platform. It is your responsibility to pay your Margin on time and in cleared funds, so please keep in mind the possibility of delays in the banking and payments systems. If your payment is not credited by us by the time you are required to have the necessary Margin, you could automatically, and quickly, lose some

or all your Contracts (and suffer further losses because of having to meet a shortfall). You should maintain a prudent level of funds and make payments in sufficient time to be credited to your Account.

### **Margin Level and Margin Call Level**

Margin Level is calculated as the percentage of Total Equity to Total Margin Requirements.

Margin Call Level is a specific Margin Level at which Fort Securities Australia will issue a Margin Call to you. For example, if the applicable Margin Call Level is 100%, it means that a Margin Call will be triggered once the Margin Level falls below 100%.

The applicable Margin Call Level is set out in the Trading Platform. Fort Securities Australia has the right to change the applicable Margin Call Levels at any time.

## **5.6 STOP OUT LEVEL AND OUR RIGHTS**

Stop Out Level is a specific Margin Level at which Fort Securities Australia is entitled to close all or some of the open Contracts without notice to you. For example, if the applicable Stop Out Level is 50%, it means that Fort Securities Australia is entitled to close all or some of your Contracts without notice when the Margin Level falls below 50%.

We may exercise our rights to close out your open Contracts at our sole discretion with little or no notice to you. We will not be responsible for any losses you may suffer or incur in connection with any such closing of your open Positions

The applicable Stop Out Level is set out on the Website (client portal). Fort Securities Australia has the right to change the applicable Stop Out Levels at any time.

## **5.7 CHANGING MARGIN PERCENTAGE, MARGIN CALL LEVEL AND STOP OUT LEVEL**

We may vary the Margin Percentage, Margin Call Level and Stop Out Level at any time at our discretion. Please refer to our Website for the most updated Margin Call Level. Without limitation, we may vary the Margin Percentage, Margin Call Level and Stop Out Level in response to or in anticipation of the following:

- changing volatility and/or liquidity in the Underlying Instrument or in the financial markets generally;
- economic news;
- changes in your dealing pattern with us;
- changes in your credit circumstances; or
- your exposure to us being concentrated in a particular Underlying Instrument.

You should note that there may be other circumstances which may give rise to us changing your Margin Percentage, Margin Call Level and Stop Out Level.

When the Margin Percentage, Margin Call Level or Stop Out Level is changed, you may need to close and open the Trading Platform in order to have relevant Margin updated.

## **5.8 YOU MUST MONITOR MARGIN**

Through the Trading Platform, you may have access to your Account and sufficient information to enable you to calculate the amount of any Margin Requirements and the Total Margin Requirement in the Base Currency using the current exchange rate. It is your responsibility to ensure that you obtain all relevant

information in respect of your Account, including all information in respect of your current open Positions. We will not be responsible for any losses you may suffer or incur as a result of you not obtaining or requesting any such information.

It is your responsibility to monitor at all times (including by checking on the Trading Platform) the Total Equity of your Account from time to time against the amount of Total Margin Requirements and any additional funds that may be necessary or desirable, having regard to such matters as:

- your open Contracts;
- the volatility of any relevant Underlying Instrument;
- the volatility of the relevant market;
- the volatility of the markets generally;
- any applicable exchange rate risk; and
- the time it will take for you to remit sufficient cleared funds to us.

## **6. BECOMING A CLIENT – BENCHMARK 1 CLIENT QUALIFICATION**

### **6.1 QUALIFICATION POLICY**

Trading in our Products is not suitable for everyone because of the significant risks involved. This section sets out how our Client Qualification Policy operates in practice.

### **6.2 MINIMUM QUALIFICATION CRITERIA**

We assess your suitability against a list of qualifying criteria that addresses your understanding and experience with the Products. You must be aware of the features of the Products and the associated risks before investing in them. We do not accept retail investors unless you meet the minimum qualification criteria. In accordance with RG227, the factors that we take into account in assessing your suitability include:

- Previous trading experience in trading financial products;
- Understanding of leverage, margins and volatility;
- Understanding of the key features of the Products;
- Understanding the trading process and relevant technology;
- Ability to monitor and manage the risks of trading; and
- Understanding that only risk capital should be traded.

Our assessment of your suitability is based on the information you provided. You warrant that the information you provide to us is true and accurate in all aspects. You understand that we will rely upon the information you provide in making a judgment about whether to accept you as a client.

Our assessment of your suitability to trade in the Products and any limits we set for your Account (or later change to those limits) should not be taken as personal advice to you nor does it imply that we are responsible for any of your losses from trading in the Products.

To the extent permitted by law, we do not accept liability for your choice to invest in any Products so you should read all of this PDS carefully, consider your own needs and objectives for investing in these Products and take independent advice as you see fit.

Even if we assess you as suitable to trade the Products, we urge you to use our Demo Accounts for a period of time to ensure you are familiar with the terminology of the Products and how they work. If in our

sole judgment we consider that you have qualified, we will not be liable in any way to you, or have any dealings or transactions between us set aside, modified or varied, if your experience, knowledge and understanding are found to be insufficient or that we were in error in making our judgment.

### 6.3 CLIENT QUALIFICATION TEST

When you start the Account opening process with us online, you will be asked the level of previous experience you have in Margin FX Contracts and CFDs. As part of the Account opening process, you will be required to demonstrate through a Client Qualification Test your understanding of the following:

- leverage, Margins and volatility;
- key features of Margin FX Contracts and CFDs;
- the trading process and relevant technology; and
- the ability to manage and monitor trading risks.

The above test must be passed with a 60% or higher score to allow an Account to be opened. The test may be attempted four (4) times in a 24 hour period.

### 6.4 CLIENT ON-BOARDING PROCESS

We check minimum qualification criteria as part of our client on-boarding process through the Fort Securities Australia Application Form and our Client Qualification Test. If you do not meet our minimum qualification criteria, one of our sales representatives will contact you to discuss potential solutions to improve your understanding and knowledge of Margin FX Contracts and CFDs.

### 6.5 WRITTEN RECORDS

We document our assessment process and retain the information as records.

## 7. HOLDING YOUR MONEY – BENCHMARK 5 CLIENT MONEY

### 7.1 TRUST ACCOUNT

We will handle all Client Money we receive in accordance with and subject to the Client Agreement and the following applicable laws (**Australian Client Money Rules**):

- Part 7.8 of Division 2 of the Corporations Act;
- the relevant regulations in the Corporations Regulations 2001;
- ASIC Regulatory Guide 212: Client money relating to dealing in OTC derivatives; and
- *ASIC Client Money Reporting Rules 2017*.

Client Money will be paid into a trust account maintained by us with an authorised deposit-taking institution (**ADI**). We will not be liable for the insolvency or any act or omission of any ADI holding the trust account. Your money may be co-mingled into one or more pooled trust accounts with other clients' monies.

We do not use Client Money for the purpose of meeting obligations incurred by us when hedging with our counterparties. Any obligations incurred by us in connection with such transactions are funded by us from our own money.

We may invest any of your money held in any segregated trust account in the kinds of investments as permitted by the Australian Client Money Rules and you irrevocably and unconditionally authorise us to undertake any such investment.

We are solely entitled to any interest or earnings derived from your moneys being deposited in a segregated trust account or invested by us in accordance with the Australian Client Money Rules with such interest or earnings being payable to us from the relevant segregated trust account or investment account, as the case requires as and when we determine.

## **7.2 PROTECTION PRESCRIBED BY THE AUSTRALIAN CLIENT MONEY RULES**

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

Furthermore, the Australian Client Money Rules provide that in the event that we cease to be licensed (including because our AFSL has been suspended or cancelled), become insolvent or cease to carry on some or all of the activities authorised by our AFSL, Client Money held by us or an investment of Client Money, will be dealt with as follows:

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

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

## **7.3 WARNING ABOUT TRUST ACCOUNTS**

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

The purpose of trust accounts is to segregate the Client Money, including your monies, from our own funds.

However, an individual's Client Money is co-mingled into one or more trust accounts.

Furthermore, trust accounts may not protect your monies from a deficit in the trust accounts. Should there be a deficit in the trust accounts and in the event that we become insolvent before the topping up of the trust accounts in deficit, you will be an unsecured creditor in relation to the balance of the monies owing to you.

## **7.4 WHAT IS AN UNSECURED CREDITOR?**

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

## **8. FEES, COSTS AND CHARGES**

### **8.1 GENERAL**

Whilst we endeavour to include all fees and charges in the Spread quoted, in some circumstances you may incur additional fees and charges.

The fees and charges when dealing in our Products may incorporate any or all of the following:

- Swap Charges;
- Rollover Charges;
- Conversion Fees;
- Corporate Action charges;
- Administration charges; and
- Inactive Account fees.

The fees and charges may change from time to time and will be reflected in this PDS or on our Website as required.

### **8.2 COMMISSIONS**

Fort Securities Australia does not charge any commission on trades executed in our Products. Fort Securities Australia may start charging commissions for both opening and closing upon opening of the Contract. The details of any Commissions payable will be published on the Website and/or the Trading Platform, and you should check any of such details before entering into a Contract with us.

There may be Commissions payable on trades executed in some of our Products. The details of any Commissions payable are available on the Website or Trading Platform, and you should check any of such details before entering into a Contract with us.

### **8.3 SWAP CHARGES AND SWAP BENEFITS**

When you hold a Position or Positions overnight in a Margin FX Contract or CFD (other than an Excepted Contract) they will be rolled to the next Business Day, which will result in you paying a Swap Charge or receiving a Swap Benefit. The amount is determined by us and depends on factors including our Swap Rate, being the rates at which you receive or pay interest on Contracts that remain open overnight. This is a varying rate dependent upon the applicable rate in the relevant markets, the duration of the rollover period, the size of the Contract and our markup that is applied at our discretion. No Swap Charge or Swap Benefit will be paid or received in the case of Excepted Contracts.

If you are long on a Margin FX Contract you may either receive a Swap Benefit or pay a Swap Charge, depending on the currency you are long, and if you are short on a Margin FX Contract you may either pay a Swap Charge or receive a Swap Benefit, depending on the currency you are short on. Swap Charges and Swap Benefits due will be accrued in the swap value field of the open trade Contract. In the event

that there are insufficient funds in your Account, any amount due to us because of the Swap Charges becomes a debt due and owing by you to us.

### **Examples:**

#### *Long Margin FX Contracts*

If you are long on a Margin FX Contract where the bought currency interest rates are higher than the sold currency interest rates you will receive interest at the Swap Rate if you hold the Contract overnight and do not close it before the settlement time. This is because you are holding the higher yielding currency. On the other hand, if you are long on a Margin FX Contract where the bought currency interest rates are lower than the sold currency interest rates then you will pay interest at the Swap Rate if you hold the Contract overnight and do not close it before the settlement time. This is because you are holding the lower yielding currency.

#### *Short Margin FX Contracts*

If you are short on a Margin FX Contract where the sold currency interest rates are higher than the bought currency interest rates you will pay interest at the Swap Rate if you hold the Contract overnight and do not close it before the settlement time. This is because you are holding the lower yielding currency. On the other hand, if you are short on a Margin FX Contract where the sold currency interest rates are lower than the bought currency interest rates then you will receive interest at the Swap Rate if you hold the Contract overnight and do not close it before the settlement time. This is because you are holding the higher yielding currency.

## **8.4 ROLLOVER CHARGES AND ROLLOVER BENEFITS – EXCEPTED CONTRACTS**

A rollover will arise in an Excepted Contract when the underlying front month futures Contract is approaching the Expiry Date. We will close out your current Position and open a new Position subject to the trading conditions published on our Website. This means the new Position will be subject to a spread charge. When the new price feed takes effect you will immediately create a gain or loss in your open trade equity. This profit or loss will depend on your Contract size and direction and the price differential of the expiring contract and the new Contract on which the price will be now based. You will be credited or debited with a Rollover Charge or Rollover Benefit that will fully offset the effect of the abovementioned profit or loss. For example, if you have made a profit on the change to the new Contract Price feed you will receive a Rollover Charge, which will offset the gain.

Any existing pending Order(s) (i.e. Stop Loss or take profit) placed on the old Contract will be cancelled and it is your responsibility to put them in place on the new Contract.

Rollover Charges and Rollover Benefits due will be accrued in the swap value field of the open trade Position. In order to minimise the bid/offer Spread we will typically switch from using the front month to the next serial contract one (1) to four (4) trading days prior to the Underlying Instrument's last trading day when liquidity can be limited.

All open Positions held at close on Wednesday night are applied (charged/credited) with a triple rollover ahead of weekends (three (3) days). This charge is applied in advance due to the fact that on weekends, the forex market is closed for business, but rollover values are still being calculated. Typically, an interest amount equal to three days of rollover from Wednesday is applied. Holidays during which the forex market

is closed still provide a rollover valuation and an amount equal to two days of rollover is applied in advance.

## 8.5 CORPORATE ACTION CHARGES, AND CORPORATE ACTION BENEFITS

### Equity CFD Corporate Actions

When a Corporate Action or an Insolvency Event occurs in relation to any Underlying Instrument and/or its issuer we may, acting in a commercially reasonable manner, make adjustments to your open Contracts, Stop Loss and Take Profit Orders, Limit Orders to reflect those actions and to put you in a position as close as possible to that of a direct holder of the Underlying Instrument provided you may not get all the benefits such as tax benefits, credits or deferrals. We are entitled not to provide you with the full benefit of a Corporate Action where we do not receive the benefit of a Corporate Action from our hedging counterparty.

Corporate Action charges and Corporate Action benefits will be accrued in the swap value field of the open Contract.

The actions we may include, but are not limited to:

- changing Margin Requirement including Margin Percentage both in relation to open Contracts and new Contracts;
- making a reasonable and fair retrospective adjustment to the opening price of an open Contract, to reflect the impact of the relevant action or event;
- opening and/or closing one or more open Contracts on your Account;
- cancelling any Stop Loss and Take Profit Orders and Limit Orders;
- suspending or modifying the application of any part of this PDS;
- crediting or debiting sums to your Account as appropriate; and
- taking all such other action, as we reasonably consider appropriate to reflect the effect of the relevant action or event.

## 8.6 CONVERSION FEES

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

## 8.7 ADMINISTRATION CHARGES

We reserve the right to charge the following additional fees:

*All charges are inclusive of GST (where applicable)*

<u>Administration services</u>	<u>Fee – Australian Clients</u>	<u>Fee – Foreign Clients</u>
<b>Receipt</b>		
Bank Wire transfer	Free	AUD\$25.00
Credit card	Applicable bank charges	Applicable bank charges only



only

Other funding methods	Refer to the Website	Refer to the Website
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**Withdrawals**

Electronic Funds Transfer	Free	AUD\$25.00
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**Other**

Inactive Account Fees	Refer to the Website	Refer to the Website
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**8.8 INACTIVE ACCOUNT FEES**

If for any consecutive period of 180 days, you do not trade then after those 180 days Fort Securities Australia will deem the Client Account to be inactive or dormant (“Inactive”). Once Fort Securities Australia has deemed the Account to be Inactive, Fort Securities Australia will be entitled to charge the client an administrative fee (the “Inactive Account Fee”) in accordance with Inactive or Dormant Client Account procedures described on the Website which shall be such amount as Fort Securities Australia may reasonably determine covers the administrative cost of continuing to operate the Inactive Client Account. Fort Securities Australia will deduct the Inactive Account Fee from the Client Account balance on the day following the expiration of the Grace Period and then every thirty (30) days thereafter. For the avoidance of doubt, the Client’s liability or responsibility to pay the Inactive Account Fee will cease as soon as the Client Account balance is zero.

**8.9 INTEREST IN CLIENT MONEY ACCOUNTS**

We are solely entitled to any interest or earnings derived from your moneys being deposited in a segregated trust account or invested by us in accordance with the Australian Client Money Rules with such interest or earnings being payable to us from the relevant segregated trust account or investment account, as the case requires as and when we determine.

**9. TAXATION IMPLICATIONS**

This section contains general information about the Australian taxation implications for Australian residents dealing in any Products, and is based on Australian taxation laws as at the date of this PDS. It is general information only, and does not take into account your objectives, financial situation or needs.

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

**9.1 TAXATION RULING: CONTRACTS FOR DIFFERENCE**

The approach of the Commissioner of Taxation (**the Commissioner**) to the income tax and capital gains tax consequences of dealing in CFDs, is reflected in Taxation Ruling 2005/15. We set out a summary of that ruling below.

A copy of Taxation Ruling 2005/15 is available at [www.ato.gov.au](http://www.ato.gov.au).

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

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

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

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

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

## **9.2 ADADDITIONAL MATTERS NOT COVERED BY RULING**

The following matters are also relevant when dealing in CFDs.

### **CAPITAL GAINS TAX**

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

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

### **INTEREST**

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

### **INTEREST ON DEBIT BALANCES**

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

### **INTEREST PAID OR RECEIVED DUE TO HOLDING A CFD**

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

## **9.3 TAXATION OF FINANCIAL ARRANGEMENTS**

The Tax Laws Amendment (Taxation of Financial Arrangements) Act (**the Legislation**) provides a framework for the taxation of gains and losses from certain financial arrangements. Gains from the financial arrangements are assessable and losses are deductible.

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

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

Relevantly, the Legislation does not apply to:

- financial arrangements of individuals;
- financial arrangements of superannuation funds (regulated and self-managed), approved deposit funds, pooled superannuation funds or managed investment schemes for the purposes of the Corporations Act where the value of the entity’s assets is less than AUD\$1 million;
- financial arrangements of authorised deposit-taking institutions, securitisation vehicles and financial sector entities with an aggregated annual turnover of less than AUD\$20 million per year; or
- financial arrangements of other entities:
  - with an aggregated annual turnover of less than AUD\$100 million – where the value of the entity’s financial assets are less than AUD\$100 million; and
  - where the value of the entity’s assets is less than AUD\$300 million;

except where the taxpayer elects to have division 30 of the Legislation apply to all of its financial arrangements.

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

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

#### 9.4 GOODS AND SERVICES TAX (GST) RULING

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

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

#### 10. GENERAL INFORMATION

## 10.1 OUR DISCRETIONS

Fort Securities Australia has discretions under the Client Agreement which can affect your Account and Contracts. You do not have any power to direct how we exercise our discretions.

When exercising our discretions, we will comply with our legal obligations as the holder of our AFSL. We will have regard to our policies and to managing all risks (including but not limited to financial, credit and legal risks) for ourselves and all our clients, our obligations to our counterparties, market conditions and our reputation.

We will try to act reasonably in exercising our discretions but we are not obliged to act in your best interests or to avoid or minimise a loss in your Account, or avoid causing you fees on Contracts.

Our significant discretions are:

- whether to accept your Order (including to Close out a Contract) or to amend it;
- any risk limits or other limits or filters we impose on your Account or your trading;
- determining Margin Requirements, especially the amount of Initial Margin, and any grace time to meet any changed Margin Requirement;
- determining values of Underlying Instruments (for opening and closing Contracts and for determining Variation Margin);
- setting Bid Prices and Ask Prices; and
- Closing your Contracts and setting the price for closing.

You should consider the significant risks that arise from Fort Securities Australia exercising its discretions.

Our other discretions include:

- setting our fees and interest rates;
- adjusting your Contracts for adjustments made in the market to the Underlying Instrument;
- adjusting, closing out or cancelling Contracts or Orders due to applying our compliance or operational policies;
- setting foreign currency exchange conversion rates;
- opening and closing your Account; and
- interpretation, variation and application of our policies.

Please note that while we have discretions, the trading conditions typically are set or applied for automatic outcomes, such as closing out all of your open Contracts once a Stop Out Level is reached.

## 10.2 ANTI-MONEY LAUNDERING LEGISLATION

We are subject to the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1)* (**AML/CTF Laws**), which can affect our dealings with you. In order to establish your Account, we need to collect personal information from you or from businesses or government agencies that you authorise.

Once your Account is opened, we may disclose your personal information or stop transactions on your Account if required under the AML/CTF Laws, or under our AML/CTF procedures, without liability to you for any loss that arises due to that occurring.

### **10.3 CHANGING YOUR MIND – COOLING OFF PROVISIONS**

There are no cooling-off arrangements for our Products. This means that you do not have the right to return the Product, nor request a refund of the money paid to acquire the Product. You are bound by the terms when you enter into a Contract.

### **10.4 ETHICAL CONSIDERATIONS**

The Products do not have a managed investment component. Labour standards or environmental, social or ethical considerations are not taken into account by us when making, holding, varying or closing out our Contracts.

### **10.5 OUR INSURANCE**

Fort Securities Australia has a comprehensive insurance policy in place to cover a variety of different scenarios, some which may assist in the repayment of deficits arising from dealing in hedge counterparties or if there is fraudulent activity by one of our employees, directors or authorised representatives that results in your money being used in fraudulent activities.

If the insurance policy is insufficient or the insurer fails to perform its obligations, Fort Securities Australia may not be able to make the payments we owe to you.

### **10.6 SUPERANNUATION FUNDS**

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

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

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

## **11. COMPLAINTS AND DISPUTE RESOLUTION**

We have an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. Any complaints or concerns should be directed to our Compliance Officer (by telephone or in writing by email or letter) at the contact details at Section 1.6 in this PDS.

Your telephone call, email or letter should specify the nature of the complaint and all relevant details, as well as your desired outcome and how this may occur. We will investigate your complaint and provide you with our decision and the reasons on which it is based, or reasons for any delay, in writing.

If your complaint is not resolved to your satisfaction within forty-five (45) days, you have the right to lodge a complaint with the Australian Financial Complaints Authority (**AFCA**). AFCA is an approved dispute resolution scheme, of which we are a member. You can contact AFCA by any of the means listed below:

In writing to: Australian Financial Complaints Authority

GPO Box 3

Melbourne VIC 3001

Telephone: Toll Free (from Australia) 1800 931 678

Facsimile: +61 3 9613 6399

Email: [info@afca.org.au](mailto:info@afca.org.au)

Website: [www.afca.org.au](http://www.afca.org.au)

## 12. PRIVACY POLICY

Depending on the type of service being sought, we may ask you to provide certain personal information, either in writing or verbally. As a financial service provider, we have an obligation under the AML/CTF Act to verify your identity and the source of any funds. This means that we will ask you to present identification documents such as a passport and drivers licence, and we will retain copies of this information. This information will be kept strictly confidential and is used for the primary purpose of providing our services to you.

Your privacy is important to us and we are committed to compliance with the *Privacy Act 1988* (Cth) and the Australian Privacy Principles. We will not share your information with a third party unless you provide us with written permission to do so, or unless required to do so in accordance with the law.

You can obtain a copy of our Privacy Policy from our Website. You have the right to obtain a copy of any personal information that we hold about you and update or correct such information.

## 13. INTERPRETATION AND DEFINITIONS

### 13.1 INTERPRETATION

- The defined terms used in this PDS are capitalised and set out in this section.
- If there is any conflict between the terms of the PDS and any Applicable Law, the Applicable Law (to the extent it cannot be excluded or modified by this PDS or the Client Agreement) will prevail.
- In the PDS any reference to a person includes bodies corporate, unincorporated associations, partnerships and individuals.
- In the PDS, all references to times of the day are to the time in Sydney, New South Wales, Australia, unless otherwise specified.
- Headings and examples in the PDS are for reference only and do not affect the construction of the PDS.



- In the PDS any reference to any enactment includes references to any statutory modification or re-enactment of such enactment or to any regulation or order made under such enactment (or under such a modification or re-enactment).

## 13.2 DEFINITIONS

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

<b>ACCOUNT</b>	means the account you have with us.
<b>ADI</b>	means an Authorised Deposit-Taking Institution.
<b>AFCA</b>	means the Australian Financial Complaints Authority.
<b>AFSL</b>	means the Australian Financial Service Licence held by Fort Securities Australia Pty Ltd (AFSL No: 493520).
<b>AGREEMENTS</b>	means this PDS, the Client Agreement, the Application Form, the Financial Service Guide, and any information on our Website or Trading Platform, as amended, varied, or replaced from time to time, which together govern our relationship with you.
<b>AML/CTF ACT</b>	means the <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> (Cth) and all regulations, rules and instruments made under that Act.
<b>APPLICABLE LAWS</b>	means all: <ul style="list-style-type: none"> <li>a) applicable provisions of laws and regulations, including all relevant rules of government agencies, exchanges, trade and clearing associations and self-regulatory organisations, that apply to the parties, the Agreements and the transactions contemplated by the Agreements; and</li> <li>b) applicable laws, rules, regulations and statutory requirements in Australia; and</li> <li>c) applicable rules, regulations, customs and practices from time to time of any exchange, licensed financial market, clearing house, licensed clearing and settlement facility, or other organisation or market involved in the conclusion, execution or settlement of a transaction or Contract and any exercise by such exchange, clearing house or other organisation or market of any power or authority conferred on it.</li> </ul>
<b>APPLICATION FORM</b>	means the application form and account opening documentation, including documentation required to be returned for the purposes of complying with the AML/CTF Laws, completed by you and submitted to us.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASK PRICE</b>	The current market price is made up of a level at which you can sell and a level at which you can buy. The level at which you can buy is always the higher of the two prices and is called the Ask Price.



<b>ASSOCIATE</b>	<p>means:</p> <p>a) a person who is an officer, employee, agent, representative or associate of a party;</p> <p>b) a Related Body Corporate of a party; and</p> <p>c) a person who is an officer, employee, agent, representative or associate of a Related Body Corporate of a party.</p>
<b>AUD or \$</b>	means Australian dollars.
<b>AUSTRALIAN CLIENT MONEY RULES</b>	means the provisions, as modified by ASIC from time to time, in Part 7.8 of the Corporations Act and the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with Client Moneys and property, and any other laws and regulations listed in section 7.1 of this PDS;
<b>AUTHORISED PERSON</b>	means you and/or any person authorised by you to give instructions to us under the Client Agreement.
<b>BASE CURRENCY</b>	means the currency as agreed under clause 8.7 of the Client Agreement.
<b>BID PRICE</b>	the current market price is made up of a level at which you can sell and a level at which you can buy. The level at which you can sell is always the lower of the two prices and is called the Bid Price.
<b>BUSINESS DAY</b>	means any day other than a Saturday, Sunday or public holiday on which banks are open for business in Sydney, New South Wales, Australia.
<b>CFD</b>	means a contract for difference that we offer to our clients from time to time under this PDS and the terms of the Client Agreement.
<b>CGT</b>	means capital gain tax.
<b>COMMISSION</b>	means the fee paid to us for initiating a Contract which may be applicable for some or all Contracts.
<b>CLIENT MONEY</b>	means the moneys our clients have deposited with us and held by us under the Australian Client Money Rules.
<b>COMMODITY</b>	means oil, gas or such other commodity as referred to on our Trading Platform.
<b>CONTRACT</b>	means an OTC derivative contract with which you have taken a long or short position with us in relation to the Products. Contract has the same meaning as Position in this PDS.
<b>CONTRACT</b>	means the price we offer you to trade in our Products from time to time and

<b>PRICE</b>	which is calculated by us according to the Client Agreement.
<b>CORPORATE ACTION</b>	<p>means the occurrence of any of the following in relation to the issuer of any relevant Underlying Instrument:</p> <ul style="list-style-type: none"> <li>• any rights, scrip, bonus, capitalisation or other issue or offer of shares/equities of whatsoever nature or the issue of any warrants, options or the like giving the rights to subscribe for shares/equity;</li> <li>• any acquisition or cancellation of own shares/equities by the issuer;</li> <li>• any reduction, subdivision, consolidation or reclassification of share/equity capital;</li> <li>• any distribution of cash or shares, including any payment of dividend;</li> <li>• a take-over or merger offer;</li> <li>• any amalgamation or reconstruction affecting the shares/equities concerned; and/or</li> <li>• any other event which has a diluting or concentrating effect on the market value of the share/equity which is an Underlying Instrument.</li> </ul>
<b>CORPORATIONS ACT</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>EQUITY</b>	means a single stock/share on which a CFD is based.
<b>EVENT OF DEFAULT</b>	means an event described in clause 15.1 of the Client Agreement.
<b>EXCEPTED CONTRACTS</b>	means a CFD where the Underlying Instrument is a Commodity future or other future Product.
<b>EXCHANGE</b>	Means the relevant market or any other exchange or market on which the relevant Underlying instrument trades or, in the case of an index, to which it relates.
<b>EXPIRY DATE</b>	means the day on which the Contract expires.
<b>FSG</b>	means our relevant Financial Services Guide, including any supplementary and replacement financial services guide.
<b>GMT</b>	means Greenwich Mean Time.
<b>HANGING ORDER</b>	has the meaning referred to in clause 3.3 of this PDS under the section titled "Execution Risk".
<b>INDEX</b>	means the market index on which a CFD is based.
<b>INITIAL MARGIN</b>	has the meaning referred to in Section 5.2.

<b>LIMIT ORDER</b>	has the meaning referred to in Section 2.10.
<b>MARGIN</b>	means the amount that you must pay to us and have in your Account to enter into or maintain a Position with us in accordance with the Client Agreement.
<b>MARGIN CALL</b>	means a call on you normally made via the Trading Platform, requesting you to top up the amount of money you have in your Account as Margin.
<b>MARGIN PERCENTAGE</b>	means such percentage as specified by us, and as amended by us in accordance with clause 10.4 in the Client Agreement from time to time.
<b>MARGIN REQUIREMENT</b>	means the amount of money you are required to pay to us and deposit with us for entering into a trade and/or maintaining an open Contract.
<b>MARKET ORDER</b>	means an order placed to buy or sell a Contract at the current price on our Trading Platform or as advised to you.
<b>MAXIMUM TRADING SIZE</b>	means such maximum Contract quantity or Contract value as we may specify through our Trading Platform or Product Schedule from time to time for any type of Product.
<b>MINIMUM TRADING SIZE</b>	means such minimum Contract quantity or Contract value as we may specify on our Website from time to time for any type of Product.
<b>ORDER</b>	means an offer made by you under the Agreements.
<b>OTC</b>	means Over the Counter.
<b>PDS</b>	means this Product Disclosure Statement, including any supplementary and replacement Product Disclosure Statement.
<b>POSITION</b>	means the long or short position you have taken with us. Position has the same meaning as Contract in this PDS.
<b>PRODUCTS</b>	means any of the Margin FX Contracts and CFDs listed on the Website and Trading Platform at any given time, offered by us;
<b>RELATED BODY CORPORATE</b>	has the meaning given in the Corporations Act, with any necessary modifications for companies incorporated outside Australia.
<b>ROLLOVER BENEFIT</b>	means a benefit you may receive on Excepted Contracts held overnight and which is described in clause 13 of the Client Agreement.
<b>ROLLOVER CHARGE</b>	means a charge you may have to pay where you have an Excepted Contract held overnight and which is described in clause 13 of the Client Agreement.
<b>SPREAD</b>	means the difference in the Bid Price and Ask Price of a Product quoted from time to time by us and, where appropriate, expressed as a percentage of the relevant price.

<b>STOP LOSS ORDER</b>	has the meaning referred to in Section <b>Error! Reference source not found..</b>
<b>STOP OUT LEVEL</b>	Means the Margin Level at which Fort Securities Australia has the ability to close all or some of your existing Contracts.
<b>SWAP BENEFIT</b>	means a benefit you may receive on a Position held overnight in a Position (other than an Excepted Contract) and which is described in the Client Agreement.
<b>SWAP CHARGE</b>	means a charge you may have to pay on a Position held overnight in a Product (other than an Excepted Contract) and which is described in the Client Agreement.
<b>SWAP RATE</b>	means the rate determined by us from time to time having regard to, among things, market rates and financing rates.
<b>TAKE PROFIT ORDER</b>	has the meaning referred to in Section <b>Error! Reference source not found..</b>
<b>TOTAL EQUITY</b>	means the aggregate of the current cash balance in your Account, taking into account all your realised profits and losses, Commissions, Swap Charges, Rollover Charges, Administration Charges and your unrealised profits and losses.
<b>TOTAL MARGIN REQUIREMENT</b>	means the sum of your Margin Requirements for all of your open Positions.
<b>TRADING PLATFORM</b>	means the trading platform we make available to you by which you may trade with us online in our Products. This includes any electronic service provided by us, for example an internet trading service offering clients access to information and trading facilities, via an internet service, a WAP service and/or an electronic order routing system and relevant software provided by us to enable you to use an electronic trading service.
<b>UNDERLYING INSTRUMENT</b>	means the instrument which we list as being available to underlie an Order or Contract. An Underlying Instrument could be currency, an equity, an index, Commodity, cryptocurrency, ETFs and treasures or other instrument or asset or factor the reference to which the value of a Product is determined.
<b>UNDERLYING MARKET</b>	means the market in which the Underlying Instrument is traded.
<b>USA</b>	means the United States of America.
<b>USD</b>	means the lawful currency of the United States of America.
<b>VARIATION MARGIN</b>	has the meaning referred to in Section 5.3.



<b>WE/ US/ OUR</b>	means Fort Securities Australia Pty Ltd (ACN 614 683 831).
<b>WEBSITE</b>	means any page hosted by the web domain name <a href="http://www.fortrade.com">www.fortrade.com</a> and includes the client portal.