INGOT BROKERS (AUSTRALIA) PTY LTD

Product Disclosure Statement

Margin FX and CFD's

March 2021

Enclosed is a document you must read and understand as it is forms part of the Agreement between you and INGOT Brokers (Australia) Pty Ltd. You should obtain your own independent financial advice as to whether Margin Contracts are appropriate for you.

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Contents

1. INTRODUCTION AND DISCLAIMER

This Product Disclosure Statement (**PDS**) has been prepared and issued by INGOT Brokers (Australia) Pty Ltd, (INGOT Brokers), (ABN: 87 159 895 431) (**we, our** or **us**). It provides you with key information about our Contract for Difference (CFDs) and margin foreign exchange contracts (Margin FX), together referred to as "Margin Contracts".

This PDS explains everything you need to know about the products we can offer you. It is designed to:

- provide you with the information you need to determine whether the products we offer are appropriate for your needs;
- explain the terms and conditions, rights and obligations associated with our products; and
- help you to compare products.

The information contained in this PDS is general advice only and does not constitute a recommendation, advice or opinion and does not consider your individual objectives, financial situation, needs or circumstances. This is an important document and should be read in its entirety before entering into a financial product agreement with us. We provide a copy of the PDS upon request.

This PDS should <u>not</u> be read in place of the Client Agreement and any other additional terms and conditions you may be bound by. It is necessary you read and understand the PDS as well as the Client Agreement which you will be bound by when you decide to use our services.

The information in this PDS is current as dated and may be updated from time to time where that information is not materially adverse to clients. We may issue a supplementary or replacement PDS as a result of certain changes, which will be available upon request by contacting us.

For information regarding our full range of products and services, please read our Financial Services Guide. If you have any queries, please contact us via live chat or by e-mail.

1.1 Jurisdiction

INGOT Brokers does not accept applications from non-Australian residents where it is contrary to local law or regulation. The distribution of this PDS may be restricted in certain jurisdictions outside Australia. Persons into whose possession this PDS comes are required to inform themselves of such restrictions. This PDS does not constitute an offer or solicitation to anyone in any jurisdiction in which such an offer is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

If you are a non-resident of Australia dealing with us, you should note:

- the law governing your dealings with us is the law of New South Wales, Australia;
- your rights against us are restricted as set out in the Client Agreement;
- funds which you deposit with us are not loans to us and will be regulated by the Australian Client Money Rules; Times are AEST times, unless stated otherwise.

1.2 Warning

The financial products offered by us in this PDS are derivatives as defined in the Corporations Act.

You should not engage in derivative transactions or enter derivative related contracts unless you properly understand the nature of derivative related products and are comfortable with the attendant risks. You should obtain financial, legal, taxation and other professional advice prior to entering into a Margin Contract to ensure this is appropriate for your objectives, needs and circumstances and in relation to the impact of any gains or losses on your particular financial situation.

1.3 Regulatory Guide 227 Disclosure Benchmarks (OTC-CFD)

Regulatory Guide 227 (RG227) issued and monitored by ASIC sets out 7 disclosure benchmarks for over-the-counter margin foreign exchange and contracts for difference. Product disclosure statements must address the benchmarks on an "if not, why not" basis. The table below sets out INGOT Brokers' disclosure against the benchmarks for this PDS:

Benchmark	Meets Benchmark	Explanation
1. Client Qualification	Yes	On application, INGOT Brokers assesses a potential client's qualification and experience to ascertain the suitability of our products. This is determined by Trading Experience, Q&A or a Relevant Training Course. See section 3.1 Applying to Deal with us for more information
2. Opening Collateral	No	The benchmark suggests accepting credit card payments with a limit of $1,000. We accept more than that as collateral for funding the Account. See section 3.2.
3. Counterparty Risk – Hedging	Yes	INGOT Brokers maintains a written policy and actively manages its exposure to market risk from open positions. See section 16.8 Counterparty Risk and the risks section of our website for more information.
4. Counterparty Risk – Financial Resources	Yes	As part of the AFSL regime INGOT Brokers maintains and applies policies to ensure that it meets the financial requirements of its AFS licence. We maintain an Adjusted Surplus Funds buffer for such occurrences as required by ASIC. See section 16.8 Counter Party risk. Financial stress tests are done on adverse movements on instruments to monitor such risks.
5. Client Money	Yes	In line with current ASIC regulations INGOT Brokers has a well-defined Client Money policy and holds all client with a tier 1 Australian bank on a fully segregated basis. INGOT Brokers does not use Retail and Sophisticated client money for hedging with counterparties. See section 17 Dealing With Your Money for more information.

6. Suspended or halted underlying Assets	Yes	There is no trading in positions with INGOT Brokers when there is a trading halt in an Underlying Reference Instrument. See section 16.3 Derivative Markets and section 20 Discretions for more information.
7. Margin Calls	Yes	INGOT Brokers has a clear policy in relation to margin calls and our rights to close out positions. See sections 9.17-9-20 Margin Calls for more information.

INGOT Brokers as the issuer of these financial products will continue to meet these benchmarks on an ongoing basis.

1.4 Use of Examples

The use of examples in this PDS is provided for illustrative purposes only and does not necessarily reflect current or future market prices or the prices that we will apply to trade; nor how such trades have an impact on your personal circumstances.

1.5 Anti-Money Laundering Legislation

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

You are not aware and have no reason to suspect that:

- the moneys used to fund your transactions have been or will be derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international law or convention or by agreement;
- The proceeds of your investment will be used to finance any illegal activities; and
- Neither you nor your directors, in the case of a company, are a Politically Exposed Person (PEP) or organisation as the term is used in the Anti-Money Laundering and Counter-Terrorism Rules Instrument 2007 (1). However, in this case we will conduct enhanced due diligence and we will deal with these situations on a case-by-case basis and the decision will be subject to our own discretions without any ramifications on us.

1.6 Purpose and Contents of this Product Disclosure Statement

This PDS is designed to provide you with important information regarding our range of financial products, including the following information:

- Who we are;
- How you can contact us;
- Which products we are authorised to offer;
- Key features, risk and benefits of these products;
- Fees and charges for these products;
- Any potential conflicts of interest we may have; and;

- Our internal and external dispute resolution process.

1.7 Name and Contact Details of Issuer/Service Provider

INGOT Brokers are the issuer of this PDS and the financial product provider.

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

Level 21, 60 Margaret Street Sydney, NSW, 2000
Phone: +61 280466500
Email: customerservice@ingotbrokers.com.au

Or live chat with one of our representatives on our website.

1.9 Representations

The information contained in this PDS is general advice only and does not consider your particular financial objectives, needs and circumstances. You should obtain your own professional advice to ensure you fully understand the nature and risks of these products and determine their suitability for your situation.

1.10 Nature of Advice we Offer

We are the issuer of this PDS and hold Australian Financial Services Licence number 428015 which authorises us to provide the following financial services to retail and wholesale clients:

- Provide general financial product advice regarding CFDs and Margin FX contracts;
- Deal in CFDs and Margin FX contracts; and
- Make a market in CFDs and Margin FX contracts.

As pointed out above, our financial products are “derivatives”, as defined in section 761D of the Corporations Act.

In general, we provide general advice and neither collect, nor take into consideration, information regarding your financial circumstances and needs. It is recommended that you take all reasonable steps to fully understand the outcomes of our financial products and strategies adopted in relation to utilising the general information provided by us to you. You should obtain financial, legal, taxation or other professional advice.

1.11 Client Categorisation

We may assess wholesale client or retail client status from time to time. If you satisfy the criteria to be classified as a wholesale client, we may classify you as such upon your request and subject to our own discretion without any guarantee to keep you in that category; the risks and protection involved for each category differs tremendously, you should attain your own independent financial advice in all cases.

2. SUMMARY OF THE KEY ISSUES WHEN DEALING IN MARGIN FX CONTRACTS AND CFDS WITH INGOT BROKERS

This is a summary only of the key features and characteristics involved in dealing in our Margin Contracts and CFDs. In addition to this summary, you should ensure you have read and understood the contents of this PDS, the Client Agreement and our Financial Services Guide (FSG).

Issue	Summary	For more detail
Who is the issuer of this PDS, the Margin FX Contracts and the CFDs?	INGOT Brokers are both the issuer of this PDS and the provider of Margin FX Contracts and CFDs.	
What is a foreign exchange transaction?	Foreign exchange is about exchanging one currency for another. In a foreign exchange transaction one currency is bought or sold in exchange for another currency	**Section 6.1**
What financial products do we provide?	Margin FX Contracts and CFDs on: equities, indices, commodities, FX Futures, Exchange Traded Funds, and Cryptocurrencies.	

What are Margin Contracts?	A Margin Contract is an agreement under which you may make a profit or incur a loss arising from fluctuations in the price of the contract. The price of our Margin Contracts is based on the price of an underlying Instrument. However, you do not own that Underlying Instrument or trade it on an exchange by owning a Margin Contract. By entering into a Margin Contract, you are either entitled to be paid an amount of money or required to pay an amount of money depending on movements in the price of the contract, i.e. the Underlying Instrument. The amount of any profit or loss made on a Margin Contract will be the net of: • The difference between the price of the contract when the position is opened and the price of the contract when the position is closed, after taking the leverage effect into account; • Any Margin or Corporate Actions adjustments in respect of the contract; • Any Rollover Charges and Rollover Benefits relating to the contract. The balance in your Account will also be affected by other amounts you must pay to us in respect of your Account such as interest to be debited or credited from or to your balances if you hold an Interest or Swap bearing account. The amount of any profit or loss made on a Margin FX contract will be the net of the difference between the price of the sold contract and the bought contract.	
What is a CFD?	A contract for difference or CFD is an agreement which allows you to make a profit	

	or loss from fluctuations in the price of the contract, i.e. the Underlying Asset. The price of the CFD is based on the price of an underlying instrument; for example, a share on an exchange. However, you do not own that Underlying Instrument or trade the instrument on an exchange by owning a CFD. By entering a CFD, you are either entitled to be paid an amount of money, or required to pay an amount of money, depending on movements in the price of the CFD. The amount of any profit or loss made on a CFD will be the net of: The difference between the price of the CFD when the CFD position is opened and the price of the CFD when the CFD position is closed; Any margin or Corporate Actions adjustments made in respect of the CFD; Any Rollover Charges and Rollover Benefits relating to the CFD. • The balance in your Account will also be affected by other amounts you must pay to us in respect of your Account such as exchange fees and interest.	
What is a Position?	Buying or selling a Margin Contract entered into by you under the Client Agreement.	
A Margin Contract is issued "over the counter". What does this mean?	Over the counter ("OTC") means that you do not trade in Margin FX Contracts or CFDs through an exchange or market; rather, it is a transaction between you and us. This means you can only enter into contracts in relation to our products with us. You do not have the protections normally associated with trading on a regulated market. It is not possible to close a Margin Contract by giving instructions to another provider, broker or Australian financial services licensee.	
What charges are payable when dealing in Margin FX Contracts?	The common fees and charges you will incur when dealing in Margin Contracts may incorporate any or all the following: • Payment of Margins;	

	• Margin adjustments; • Rollover Charges calculated at our Rollover Rates; • Administration charges; and • In addition, we will apply a bid / offer spread in respect of financial products, which will also affect the profits or losses you make when dealing with these contracts.	
What charges are payable when dealing in CFDs?	The common fees and charges when dealing in CFDs may incorporate any or all the following: • Margin adjustments; • Rollover Charges calculated at INGOT Brokers Rollover Rates; • Exchange fees; • Administration charges; and • Commissions In addition, we will apply a bid / offer spread in respect of our CFDs, which will also affect the profits or losses you make when dealing in CFDs.	
How do I open an Account?	Read this PDS, Client Agreement, FSG and other terms and then complete an Application Form. You will be emailed instructions accordingly. Also you may obtain these documents by: • Telephoning us on +61 2 80466500 • Visiting our website at www.ingotbrokers.com.au	**Section 3**
What is the minimum balance to open an account?	AUD$100 for Australian clients. USD$100 or its currency equivalent for Foreign Clients. Unless otherwise specified, all dollar amounts referred to in this PDS are denominated in Australian Dollars.	
How do you deal in Margin FX Contracts or CFDs with us?	You may place orders to deal in Margin FX Contracts or CFDs in two ways: • By telephoning on +61 2 80466500; or	**Section 9**

	• Using the INGOT Brokers Platform through a computer connected to the internet or your mobile telephone. We will not accept orders or instructions from you through any other means, such as email, 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 a written Power of Attorney or authority has been received and accepted by us.	
What are "long" and "long" positions?	You go "long" when you buy a Margin Contract or place an order to open a Position in the expectation that the price of the Underlying Instrument will increase, which would have the effect that the Position's price will increase. You go "short" when you sell a Margin Contract or place an order to open a Position in the expectation that the price of the Underlying Instrument will decline, which would have the effect that the Position price will decline. If this occurs, because you have sold a Margin Contract (rather than bought a Margin Contract), you would make a profit if you closed the position at this point, subject to our fees and charges.	
How do I close-out a position?	You close a Position in a Margin Contract by you closing out the existing positions.	**Section 14**
How do we deal with your money?	Moneys which you deposit with us will be regulated by the Australian Client Money Rules.	**Section 17.1**
What is my "Total Equity"?	Your "Total Equity" is the aggregate of: • The current cash balance in your Account; and • Your current unrealised profits and losses.	
What is my "Free Equity?	Your "Free Equity" is your *Total Equity* less your current Total Margin Requirement	

	including premiums (see below). The *Free Equity* is the amount that you may withdraw from your Account or use to cover additional Margin requirements.	
What is Margin?	Margin is initially the amount that you must have in your Account to enter into a Margin FX Contract or a CFD with us. The level of Margin required to open and maintain these contracts is called the "Initial Margin Requirement". The sum of your Margin Requirements for all your open Positions is called the "Total Margin Requirement". Margin Requirements will fluctuate with the value of the Underlying Instrument on which the contract is based. Further, where you deal in a contract that is denominated in a currency other than the Base Currency of your Account, your Margin Requirement may also be affected by fluctuations in the relevant foreign exchange rate.	**Section 9.9**
What is a Margin Call by us?	A Margin Call is a demand for additional funds to be deposited into your Account or a reduction in open position(s) to meet your Total Margin Requirement because of adverse price movements on your open Positions.	**Section 9.9**
How are payments made in and out of my Account?	You may deposit funds by payment gateways or electronic transfer. All funds must be Cleared Funds in your Account before they are treated as satisfying a Margin Call or can be made available for you to use in dealing in Margin FX Contracts or CFDs. Payments using electronic transfer are not Cleared Funds in your Account at the time of transfer. Generally, Cleared Funds are received in your Account 48 hours after transfer. We will pay you through electronic transfer.	

Do I pay any Rollover Charges?	You may be required If your account is a Swap bearing account to pay a Rollover Charge on long or short Positions (Depending on traded instruments) that remain open overnight. However, you should note that on occasions when you have long or short Positions in Margin FX Contracts and CFDs you may in fact receive Rollover Benefits.	**Section 10.2**
Do I receive any Rollover Benefits?	You may receive If your account is a Swap bearing account a Rollover Benefit on short or long Positions (Depending on traded instruments) that remain open overnight. However, you should note that on occasions when you have short or long Positions in Margin FX Contracts and CFDs you may in fact pay Rollover Charges.	**Section 10.2**
What are the key benefits?	Some of the key benefits for each type of Margin Contract offered by us in this PDS are set out in section 15.	**Section 15**
What are the risks of Margin Contracts?	Margin Contracts are derivative products that are speculative, highly leveraged, and carry significantly greater risk than non-geared investments such as shares. **You may incur losses to the extent of your total exposure to us and any additional fees and charges that apply. These losses may be far greater than the money that you have deposited into your Account or are required to deposit to satisfy Margin Requirements.** You should obtain your own **independent financial, legal, taxation and other professional advice** as to whether Margin Contracts are an appropriate investment for you. The client should be aware that their risks include Counter Party risk, which is the risk of default of a third party. To decrease that risk, INGOT Brokers takes extra measures in evaluating this risk.	**Section 16**

What procedures are in place to deal with your complaints?	We provide complaints handling and dispute resolution process for our clients and are a member of the Australian Financial Complaints Association (AFCA), an external complaints resolution body.	**Section 31**
What are the taxation implications of entering into Margin Contracts?	The taxation consequences can be complex and will differ for everyone's financial circumstances. We recommend that you obtain independent taxation and accounting advice in relation to the impact of foreign exchange and CFD transactions and products on your particular financial situation.	**Section 22**
How do I learn to use the INGOT Brokers Platform and how to deal with you?	We offer online tutorials on the use of the INGOT Brokers Platform, telephone support and attend trade seminars in the dealings with us. We also offer financial education courses. Contact our Client Services for further details or visit our website, www.ingotbrokers.com.au.	**Section 15.7**
What are your trading and office hours?	***Trading Hours*** Trading hours for Margin Contracts will depend on the relevant Underlying Instrument Market's hours of operation and are set out on our website. ***Office Hours*** Our office and trading hours and general financial practices are set out on our website, subject to public holidays, to service your account.	
What if I need further information?	You should speak to your financial advisor, or, alternatively, you can contact us by: • Telephone: +61 2 80466500 • E-mail: customerservice@ingotbrokers.com.au • Internet: www.ingotbrokers.com.au	
What additional fees and charges are payable in respect of a Margin Contract?	Whilst we endeavour to include all fees and charges in the spread quoted, in some circumstances you may incur fees and charges.	**Section 10.6**

3. TRADING WITH INGOT BROKERS

3.1 Applying to deal with us

Before you begin dealing in our Margin Contract products, you must complete an Application Form and be approved by us to open an account. There are 3 Application Forms, one for applicants that are individuals (including joint applicants), one for corporations and one for trusts. Before completing the appropriate Application Form you should read this PDS including the Client Agreement, and the FSG. The Application Forms are available on our website or can be obtained by contacting us. Clients are made aware of our terms and conditions which you acknowledge you will be bound by when trading with us.

Trading in CFDs and Margin FX that INGOT Brokers offers may not be suitable for all investors due to the significant risks involved. INGOT Brokers can only accept new clients who meet a certain level of experience and knowledge in trading Over-the-Counter (OTC) derivatives such as CFD and Margin FX. This will be done by INGOT Brokers asking you questions in order to assess your understanding, experience, suitability of product and financial means with OTC derivatives. If it should be necessary, INGOT Brokers will recommend that you obtain further experience and education before opening an account. Applicants who initially are deemed unsuitable at the time of the assessment may re-apply for an account and redo the assessment.

You must provide us with your Application details, or at any time requested by us, such of the documentation as set out in the Application process.

The Application Forms require you to disclose personal information. You should refer to the privacy statement in section 32, which explains how we collect personal information and then maintains uses and discloses that information.

3.2 Minimum initial account opening deposit

There is usually a minimum Account opening deposit of AUD$100 for Australian Clients. This may be varied at our absolute discretion from time to time. ASIC recommends that when a credit card is used to fund the account to have a limit of $1,000 for the initial payment. INGOT does not encourage the use of double gearing, in which the clients use borrowed funds to fund leveraged products, as this carries very high degrees of risk. For this reason, 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 or credit card. For this reason, we have not adopted the Opening Collateral Benchmark suggested by ASIC in RG 277 as it would impede the ability of our clients to use debit cards to fund their Accounts.

3.3 Minimum Total Equity

Margin FX Contracts	50% of the Total Margin Requirement
Bullion CFDs	50% of the Total Margin Requirement

Index CFDs	50% of the Total Margin Requirement
International Share CFDs and commodity CFDs	50% of the Total Margin Requirement
Index Future CFDs	50% of the Total Margin Requirement
Exchange Traded Funds CFDs	50% of the Total Margin Requirement
Cryptocurrencies CFDs	50% of the Total Margin Requirement

The above levels are referred to as the Liquidation Level. At or below this level we may close-out and/or reverse (i.e., liquidate) some or all your open positions. Refer to section 9.22 for more details.

4. ONLINE TRADING STATEMENTS

4.1 Delivery of confirmations and statements electronically

At any time, you execute a transaction with us, a confirmation of the executed trade will appear in the **INGOT** Brokers Platform. Daily and monthly statements will also be made available to you through the INGOT Brokers Platform following their respective trading periods. You may print these daily and monthly statements for your records.

4.2 Operating your Account through the INGOT Brokers Platform

When using the INGOT Brokers Platform your positions may be viewed at any point in real-time, as well as all deals, orders, pending orders and available statements using the INGOT Brokers Platform. Under clause 6.8 of the Client Agreement you agree to use the INGOT Brokers Platform to:

- confirm all transactions entered with us; and
- monitor your obligations to us.

We may make available to you documents updating the PDS (including the Client Agreement), the INGOT Brokers Product Schedule and the FSG, including any supplementary, revised and new product disclosure statements and financial services guides by either:

- sending them to you by email or other electronic means;
- posting them on our website;
- sending to you an electronic link to the relevant document by email or other electronic means; or
- sending them as otherwise permitted by law.

4.3 Daily statements

Following end of day settlement, provided you have dealt or have an open position, we will produce a daily statement which will be emailed to you and then made available on the INGOT Brokers Platform, Daily Statements include details of:

- your open Positions;

- your new Positions;
- the opening cash balance on your Account, together with details of Account movements such as deposits, withdrawals or settlements;
- your closing Account balance for the day;
- profits or losses made on Open positions, that is, your Open Trade Equity;
- the value of your Positions and movements on your Account in the currency in which your Account is denominated, indicating, where appropriate the consolidation rates used;
- other items affecting your Account, such as, Rollover Benefits or Rollover Charges applied to your Account;
- profit or loss made on open Positions (open trade equity);
- the liquidation value;
- your Total Margin Requirement; and
- your Margin excess or deficit.

4.4 Monthly statements

Following month end, we will produce an electronic version of your trading statement which will be emailed to you and be available on the INGOT Brokers Platform. This will provide the same details as the daily statements but cover all account movements and Positions opened for the month.

4.5 Checking of confirmations

It is imperative that you check all the contents of the Confirmations of your trades and you contact us immediately if you disagree with any of their contents.

The Confirmation will, in the absence of manifest error, otherwise be conclusive. Under clause 6.8 of the Client Agreement the time from which you must contact us begins from the time the Confirmation is posted on the INGOT Brokers Platform, although we may also send the document to you electronically via email.

4.6 Checking of statements

It is imperative that you check all the contents of the daily statements and monthly statements in detail and contact us within 2 Business Days if you disagree with any of the content of a daily or monthly report.

These documents will, in the absence of manifest error, be conclusive unless you notify us in writing to the contrary within 2 Business Days of receiving them. Under clause 6.8 of the Client Agreement the 2 Business Days begins from the time the document is posted on the INGOT Brokers Platform, although we may also send the document to you electronically via email.

The summary of your financial position will provide you with your Margin position and indicate to you whether you are approaching your minimum Total Equity balance. It will also indicate the excess funds available, if any, that you may either use to open new Margin FX Contracts or CFD Positions or withdraw. It is very important that you remain aware of your daily Total Equity balance, your Total Margin Requirement for your open position(s) and any Free Equity available.

5. ACCOUNT ADMINISTRATION

5.1 Our administration charges

Please refer to section 10.6 for details of our administration charges.

5.2 The currency balances in your Account

a. The Base Currency of your Account

Your Account is maintained in a currency that you may nominate (the Base Currency). If you are an Australian Client, you will have your Base Currency in USD if you do not nominate a different Base Currency.

All your profits, losses, Rollover Charges and Benefits in relation to a Margin Contract are denominated in the currency of the Margin Contract.

All foreign currency cash balances and unrealised profits and losses shown in your Account can be notionally converted by us into your Base Currency using our applicable prices for Margin Contracts in the relevant cross-currencies at the relevant time in order to calculate your Total Equity in the Base Currency of your Account.

b. The Currency Ledger Balances of your Account

Upon realising your profit and loss for a Margin Contract Position denominated in a foreign currency, you will hold a foreign currency balance in your Account. A profit or loss will be automatically converted to the Base Currency of your Account using our exchange rate. The conversion will be at the relevant exchange rate quoted by us as at Settlement Time, which may be different to the applicable INGOT Brokers Market price for Margin FX Contracts in the relevant cross-currency at the relevant time.

6. SIGNIFICANT FEATURES OF DEALING IN DERIVATIVE PRODUCTS WITH INGOT BROKERS

6.1 What is foreign exchange?

Foreign exchange is about exchanging one currency for another. In a foreign exchange transaction one currency can be bought or sold in exchange for another currency. The exchange rate is the price of one currency (the base currency) in terms of the other currency (the terms currency) and is the price at which this transaction takes place. For example: if the current exchange rate for the Australian dollar (base currency) against the US dollar (terms currency) is AUD/USD 0.9200, this means that an Australian dollar is equal to, or can be exchanged for, 92 US cents.

6.2 What is a Contract for Difference?

A Contract For Difference (CFD) is a financial product that gives the holder an exposure to an underlying asset without giving any proprietary rights in that asset.

For the purposes of this PDS, we have separated foreign exchange products; Margin FX Contracts from CFDs, although CFDs have the same legal characteristics as Margin FX Contracts. Where it states Margin Contracts it means both Margin FX Contracts and CFDs.

6.3 Types of CFDs Issued by Us

In this PDS, we offer CFDs based on the following Underlying Instruments:

- shares and other securities (Share CFDs);
- share indices (Index CFDs);
- gold and silver (Bullion CFDs);
- commodities (Commodity CFDs);
- equity index futures contracts (Index Futures CFDs);
- Exchange Traded Funds contracts (ETFs CFDs); and
- Cryptocurrencies.

6.4 Nature of Margin FX Contracts and CFDs

INGOT Brokers Margin FX Contracts and CFDs are not traded on a licensed financial market, or exchange, but are bilateral agreements between you and INGOT Brokers, with each party responsible for assessing the credit standing and capacity of the other party before entering into the transaction.

The significant benefits and risks of CFDs and Margin FX Contracts are discussed in sections 15 and 16.

If you have a need to purchase the underlying currency, i.e. to enter into a position which is to be settled by exchange of currency, our Margin FX Contracts are not appropriate for you, because they do not involve an exchange of currency at a future point in time.

6.5 How to enter into Margin FX Contracts and CFDs with INGOT Brokers

If you wish to enter into Margin FX Contracts or CFDs with us, you are required to open an account with us. You will be required to complete your details and agree to the terms and conditions contained in the Client Agreement online. The Client Agreement details the rights and obligation of the counterparties. If your application gets approved, you will then be bound by the Client Agreement.

You will be required to send copies of relevant proof of identify documents to us, which we are required to obtain by Anti-Money Laundering legislation at the Application stage. If these identity documents are not received within 5 days and we cannot fully verify you, your login credentials will be deactivated.

If you cannot open an account online, we will provide you with the requisite Application Form, which incorporates the Client Agreement for you to sign and return to us.

To apply for an account with us, please visit our website.

6.6 Fees and Charges

You will pay fees and charges when dealing in Margin FX Contracts and CFDs with us, including charges which are described in section 10.

6.7 Adjustments for Dividends and other Corporate Actions

We may adjust your Account to reflect dividends and certain Corporate Actions (including, but not limited to, bonus issues, rights issues and stock splits) that occur in respect of the Underlying Instrument to which Share CFDs is referable. Whilst there are no Corporate Action adjustments applicable to other CFDs Rollover Charges and Rollover Benefits may apply as shown below.

CFD Type	Adjustments for Dividends and Corporate Actions	Rollover Charges and Benefits (see Section 10.2)
Share	Yes	Yes
Spot Indices	Yes	Yes
Gold	Not Applicable	yes
Spot Commodity	Not Applicable	Yes
Commodity	Not Applicable	No
ETFs	Yes	Yes
Cryptocurrencies	Yes	Yes

Adjustments made relating to Dividends and Corporate Actions in respect of the Underlying Instrument will be reflected in your Account (whether by way of a debit or credit of an amount or the increase or decrease in the number of CFDs) should they occur.

The adjustments in respect of Cash Dividends and Corporate Action events are detailed in clause 7 of the Client Agreement. We now summarise these adjustments.

a. Adjustment for Dividends

Long Share CFD position

If you have a long share CFD position, your Account will be adjusted for any Cash Dividend that the holder of the Underlying Instrument would have received after any tax has been paid or withheld at source by the Underlying Entity (if the holder of the Underlying Instrument is an Australian resident corporate taxpayer). The adjustment will result in your Account being credited with any amount equal to the net amount of the Cash Dividend after considering INGOT fees and taxes.

The Cash Dividend is the cash dividend or distribution declared. Accordingly, your Account is not adjusted for any Franking Credits attached to a dividend or distribution on your long Share CFD positions.

Short Share CFD position

If you have a short Share CFD position, your Account will be adjusted by debiting an amount equal to the Cash Dividend. If an Australian share is its Underlying Instrument, we may at our sole discretion hedge our exposure to your short position by borrowing the Australian share from a non-resident of Australia for Australian taxation purposes. However, we have no obligation to do so and are under no obligation to inform you as to whether we have done so.

If we choose to borrow the underlying Australian share from an Australian tax resident, your Account will also be adjusted for any amount charged to us for any Franking Credits attached to the Cash Dividend, in addition to the amount of the Cash Dividend. That is your Account will be debited with an amount equal to the Grossed-up Dividend after taxes and INGOT fees.

Timing of Dividend Adjustments

All dividend adjustments relating to a Share CFD will be made by close of business on the day following the ex-dividend date (Refer to clause 7 of the Client Agreement for more detail).

b. Adjustments for Corporate Actions

When a Corporate Action occurs affecting an Underlying Instrument, we will use our best endeavours to replicate the effects on your CFD position as closely as possible. We are not obliged to, and do not intend to, provide you with any information or advice about Corporate Actions. You should acquaint yourself with the Corporate Actions that may affect your Account and to decide whether to obtain any advice as to what action you should take in respect of such Corporate Actions. If we cannot replicate the Corporate Action, we may close your position and, if asked to do so, re-open your CFD position at a new price and/or vary the terms of your orders and CFDs to preserve the economic equivalence of the rights and obligations of the parties immediately prior to a Corporate Action. In addition, the underlying exchange may purge orders on the Underlying Instrument during Corporate Actions, and when this occurs; your orders may be cancelled by us. We have the discretion to adjust as outlined above. This discretion will only be exercised by us to ensure that any Corporate Action is replicated in your CFD position as closely as possible. Refer to clause 7 of the Client Agreement for more details.

c. Qualifying for Adjustments relating to dividends and Corporate Actions

To qualify for adjustments relating to dividends and Corporate Actions, you must hold the CFD in respect of the affected Underlying Instrument at the close of business on the day preceding the ex-dividend, or equivalent date relating to the Corporate Action as quoted in the Underlying Market.

7. MARGIN FOREIGN EXCHANGE TRADING

Margin foreign exchange trading with us differs from spot and forward trading in that:

1. it does not involve an exchange of currencies or the sale at a future point in time; and
2. there is ordinarily no pre-determined settlement date.

Rather, margin foreign exchange trading with us involves taking spot positions in a foreign currency and, instead of these contracts being settled by exchange of currencies, the positions are “closed-out”.

Closing-out involves entering an equal and opposite position with us and generates a profit or a loss which is then settled between us. The resulting profit or loss of the trade is the net result of the difference between the opening and closing exchange rates or prices of each transaction, adjusted for transaction costs.

7.1 Long and Short Positions

You can take both 'long' and 'short' Positions. If you take a long Margin FX Position, you profit from a rise in the underlying base currency price, and you lose if the underlying base currency price falls.

Conversely, if you take a short position, you profit from a fall in the underlying base currency price and lose if the underlying base currency rises.

7.2 Example of Margin FX trading

You are watching the currency market and, whilst you do not have any physical requirement to buy or sell AUD against the USD, you are of the opinion that the AUD will strengthen against the USD over the next few days.

So, you can either trade online on the INGOT Brokers Platform or call our desk and ask our staff for a price for you to buy AUD and sell USD with the intention to close-out the trade at some time in the future. You are quoted an AUD/USD rate of 0.9100 and accept that rate.

On the next day the AUD has strengthened against the USD and you call our desk and ask our staff for a price for you to sell AUD and buy USD.

You are quoted an AUD/USD rate of 0.9200.

Day 1: Buy AUD $100,000 @ 0.91 against USD USD value = $91,000

Day 2: Sell AUD $100,000 @ 0.92 against USD

USD value = $92,000

Net trading profit: = USD$1,000.00 gross profit (excluding costs)

- Please note these rates are used for illustrative purposes only and are not meant to be taken as an actual conversion rate that is available in the market at this time.
- See below for further examples of Margin FX trading.

8. CFDS

CFDs will be traded in the currency listed in the INGOT Brokers Products Schedule Currency for that CFD.

8.1 Opening a CFD

A CFD position is opened by either buying (going long) or selling (going short) on a CFD.

You go "long" when you buy a CFD in the expectation that the price of the Underlying Instrument to which the CFD is referable will increase, which has the effect that the CFD price will increase.

You go "short" when you sell a CFD in the expectation that the price of the Underlying Instrument to which the CFD is referable will decline, which has the effect that the CFD price will decline.

We provide you with several different order types to facilitate the opening and closing of long and short positions. The order types are discussed in section 12 of this PDS.

8.2 Closing a CFD

You close a CFD by entering into and executing an equal and opposite transaction in the same CFD.

Please also see sections 9.22 and 9.17 on Liquidation Levels and Margin Calls for cases where we may automatically close your CFD positions.

If you close a position, you must cancel any related orders you have placed against that position. Failure to do so will mean that the related orders remain at risk of execution. Please see section 12 for more detail about cancelling orders.

8.3 Criteria for adding CFDs

- Listed in the country's top index.
- Trading volume is above industry average.
- Available, efficient and affordable way to hedge it.
- No direct or traceable red flags.
- Adequate track record for 3 or more years.

9. HOW YOU TRANSACT WITH US

9.1 Establishing a position

To establish a Position, you can trade online or contact us for a quote to enter into the transaction. In the case of a Margin FX Contract you will be quoted a rate or in case of a CFD, the Underlying Instrument's price. Immediately upon receiving the quote, you may make an offer to enter into the transaction the subject of the quote. We are not obliged to accept your offer. Situations, for example, where we might not accept your offer are where you have exceeded limits imposed by us on your account, or where we do not already hold in Cleared Funds the amount of the initial Margin. We will confirm any transaction we enter with you.

9.2 Minimum Point Increment

Trading in our financial products involves consideration of movements in the exchange rates and prices.

Movements in these rates or prices are referred to as a 'tick movement', 'tick value', 'tick size' or a 'pip movement' and represents the minimum price change between two successive transaction prices (Minimum Point Increment). The Minimum Point Increment can represent either an upward or downward movement in price.

It is important to note that the size and value of a Minimum Point increment can differ between different instruments. The size and value of a Minimum Point Increment are listed in the INGOT Brokers Product Schedule.

It is arbitrary how many significant figures are used in a rate quotation. For example:

In the quotation 1 AUD = USD 0.92, one point or one pip means AUD 0.0001.

In the quotation 1 USD =JPY 102.50, one point or one pip means JPY 0.01.

The effect of a decrease of one Minimum Point Increment on the Margin Contract and the Underlying Instrument is detrimental to a buyer and beneficial to a seller. The effect of an increase of one Minimum Point Increment is beneficial to a buyer and detrimental to a seller.

9.3 Pricing

Our prices may differ from those in the Underlying Market.

Margin FX Contracts: the rates we quote to establish or close-out a Position are based on underlying exchange rates and a range of other factors described below. We cannot predict the future rates and our rate quotations are not a forecast of where we believe rates will be at a future date.

The calculation of the price to be paid (or the payout to be received) at the time the Margin FX Contract is entered into will be based on our best estimate of market prices, current spot Interbank rates, implied volatilities and other market conditions during the life of the Margin FX Contract and is based on a complex arithmetic calculation.

Share CFDs: we calculate the prices for Share CFDs by considering our expected price of the Underlying Instrument, which is a share.

Index CFDs: our prices for Index CFDs are based on our determination of the fair value of the Index.

Index Future CFDs: our prices for Index Future CFDs are based on the underlying mid-market price of the Underlying Instrument, which is a futures contract based on an Equity Index, and the application of the INGOT Brokers Spread.

Commodity CFDs: our prices for Commodity CFDs are based on the last traded price of the Underlying Instrument, which is a futures contract, with the application of the INGOT Brokers Spread.

Gold CFDs: our prices for Gold CFDs are based on the Interbank Rate Prices of the Underlying Instrument, with the application of the INGOT Brokers Spread.

Exchange Traded Funds CFDs: our prices for ETFs CFDs are based on the price of the Underlying Instrument, which is the listed Exchange Traded Fund, with the application of INGOT Brokers Spread.

Crypto CFDs: our prices for Crypto CFDs are based on the last traded price of the Underlying Instrument with the application of the INGOT Brokers Spread.

9.4 Spread

The difference between the Bid price and the Ask price is known as the 'Spread'. You can view the spread in the Trading Platform prior to executing your Order. We may post our target spreads on our Website from time to time, and you should be aware such representations are indicative only and do not represent the actual spread price for any product.

The bid/offer prices quoted by us for Margin FX Contracts and CFDs may not be the same as those of the Underlying Instrument in the Underlying Market. This difference is due to the spread favouring us in the price calculation.

This spread is calculated and applied by us having regard primarily to the liquidity in the Underlying Market. As a result, our prices may change in response to the aggregate demand for Margin FX Contracts and CFDs and Underlying Market conditions.

9.5 Our prices may differ from those in the Underlying Market

The real time dealing prices displayed on the INGOT Brokers Platform are indicative prices that INGOT Brokers is offering for its products. Furthermore, the INGOT Brokers Spread may not be the same as the spreads in the Underlying Market.

We will not provide you with access to prices for the Underlying Market or market depth information in relation to the Underlying Market on the INGOT Brokers Platform. Accordingly, it is for you to access such information from other sources and decide whether you wish to deal in currency or commodities with us or directly in the Underlying Market.

9.6 Calculating Margin FX Profits and/or Losses

The profit or loss from a Margin FX transaction is calculated by keeping the unit of one of the currencies constant (the 'base' currency) and determining the difference in the number of units of the other currency (the 'terms' currency). The profit or loss will be expressed in the units of the currency which is not kept constant.

9.7 Calculating CFD Profits and/or Losses

The profit or loss from a CFD transaction is calculated by reference to the difference in the prices of the opening and closing Positions.

9.8 Realised and Unrealised Profits and Losses

Please contact our representatives to assist you in understanding the importance of and how to match and close-out trades.

9.9 Margins and margin calls

Margin FX Contracts and CFDs are subject to Margin obligations, which are your responsibility to meet to maintain your Positions. You will be issued a Margin Call automatically via email as soon as a Margin call situation arises.

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

9.10 Initial Margin

The initial Margin is an amount of money which we will call from you at the time the Position is entered. The initial Margin is an amount we call to protect ourselves against possible market movements.

When you open a Position with us in Margin FX Contracts and CFDs you will need to have enough Total Equity in your Account to satisfy the Margin Requirement for that Position. Margin Percentages vary with each product and a list of them as at the date of this PDS are set out in the INGOT Brokers Product Schedule.

The amount of money that is used to open a derivative position or increase an already open interest in a financial product, termed "Margin", is entitled to INGOT Brokers.

Hence, INGOT Brokers has the right to reject client withdrawal orders for money that is used for margin, because the margin is not considered the clients' money.

9.11 Examples of Margin Requirements

Examples of the calculation of the Margin Requirement for various types of CFDs follow. But you should refer to the INGOT Brokers Product Schedule for the current Margin Percentages for each instrument. Margin Requirements on Share and Index CFDs are **generally** between 5% and 20% of the notional value of your position.

Share CFDs Margin Requirements

For example, if you bought 10,000 Vodafone UK Share CFDs at a price of GBP 120.88, the margin requirement would be calculated as follows:

(10,000 x 120.88 x 20% =GBP 2,417.6)

Index CFDs Margin Requirements

Our margin percentage on Index CFDs is generally 5%. For example, an AUD 10,000 initial deposit allows you to deal in up to AUD 200,000 notional value on Index CFDs.

For example, if you bought 10 AUS200 Index Futures CFDs at a price of AUD 6,000, the Margin Requirement would be calculated as follows:

(10 x AUD 6,000) x5% = AUD 3000

Gold CFDs Margin Requirements

Our margin percentage on GOLD CFDs is 5% of the notional value of your position. Margin Requirements on GOLD CFDs are calculated as follows:

Margin Requirement = (Contract Quantity x Contract Price) x Margin Percentage

For example, to buy 100 ounces of XAUUSD CFDs at a price of USD1550 the Margin Requirement would be calculated as follows:

(100 x 1550) x 5% = USD 7,775

Crypto CFDs Margin Requirements

Our margin percentage on Crypto CFDs is generally 50% of the notional value of your position. Margin Requirements on Crypto CFDs are calculated as follows:

Margin Requirement = (Contract Quantity x Contract Price) x Margin Percentage

For example, to buy 1 of Bitcoin Crypto CFDs at a price of USD5500 the Margin Requirement would be calculated as follows:

(1 x 5500) x 50% = USD 2,750

Commodity CFDs Margin Requirements

Our margin percentage on Commodity CFDs is generally 10%. Commodity CFDs have Minimum Point Increments (or “ticks”) of between 0.01 and 1.0. As a result, your Margin Requirement can be calculated as follows:

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

For example, to buy 10 XTIUSD CFDs at a price of USD70, the Margin Requirement would be calculated as follows: ***70*10*10%*100 = USD 7,000***

9.12 Total Equity balances

The Total Equity of your Account will fluctuate according to the money you have deposited in your Account, the dealings conducted on your Account and the positions you hold.

During the trading day, your Account is constantly calculated in line with movements in our prices using our Mid Price. The Account balance is also calculated at the end of the day using our Mid Price closing rates (or our last dealing price).

Your Total Equity balance is used to assess your available Margin against current positions, and any potential new positions you may wish to take. The Total Equity balance is used to determine if there is a requirement for additional Margin to be paid in respect of your Account.

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

To assist you to monitor your equity balances in your Account, we summarise your Total Equity and Free Equity together with your Total Margin Requirement at the end of the day in your daily statement, and we provide you with your open position and Total Equity report online.

You will only be allowed to withdraw from the Free Equity in your Account, which is the Total Equity in your Account less your Total Margin Requirement. Additionally, you will only be allowed to deal and maintain open positions based on Cleared Funds in your Account, not on promised funds or funds in transit.

9.13 Profits and losses

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

9.14 Variation Margin

The *variation Margin* is an amount which we may call from you when a Position moves against you. Again, this amount is determined by us in our discretion and is intended to protect us against unrealized losses which you may have suffered. In some situations, we may refund variation Margin to you when a position moves in your favour.

The variation Margin liability is incurred at the time of the occurrence of any movement in the market that results in an unrealized loss, regardless as to when the call to pay is made by us on you.

9.15 Change to Margin Percentage

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

Furthermore, if we determine that a Force Majeure Event (defined in clause 29 of the Client Agreement) exists then we may, without prejudice to any other rights under the Client Agreement and at our sole discretion, take any one or more of the steps outlined in clause 29.2 of the Client Agreement.

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

9.16 Monitoring positions on mark to market basis

Positions will be monitored by us on a mark to market basis to account for any market movements. If the value of the position moves against you, then you will be required to 'top up' the initial Margin (variation Margin) and, if so, you will be subject to a Margin call; i.e. to pay additional margin or, alternatively, to close the Position in order to reduce your initial Margin to a level acceptable to us. In other words, you must maintain enough Free Equity in your Account in Cleared Funds to cover any increases in your Total Margin Requirement. If your Total Margin Requirement exceeds your Total Equity, your Account will be placed on Margin Call. If your Account reaches the Liquidation Level some or all your Positions may be liquidated.

9.17 Notification of Margin call

Margin Calls will be shown on the INGOT Brokers Platform, and you are required to log-in to the system daily when you have open Positions to ensure you receive notification of any such Margin Calls. You will also be issued a Margin Call automatically via email as soon as a Margin call situation arises. Please note that if you do not check the INGOT Brokers Platform or your email for Margin Call notifications, and hence do not meet them in a timely manner, positions may be closed out, also if the margin hits the liquidation levels, without further reference to you, as provided in our Client Agreement.

Derivatives can be highly volatile and consequently Margin Calls can be made by us at any time. It is your responsibility to monitor and manage your open positions and exposures and ensure Margin calls are met as required. You should ensure that you are always contactable by us. If you are unable to be contacted for the purpose of us making a Margin call.

9.18 Margin Calls where several positions are open

Margin calls will be made on a net account basis, i.e. should you have several open positions, then Margin calls are netted across the group of open transactions. In other words, the unrealized profits of one transaction can be used or applied as initial or variation margins or to offset the unrealized losses of another transaction.

9.19 Payment of Margin calls

As pointed out above, if your open Margin Contract or CFD positions move against you and your Total Equity balance falls below your Total Margin Requirement, your Account will be placed on Margin Call. Restoring your Total Equity balance and satisfying your Margin Call obligations will require:

- closing or reducing one or more of your open position(s) in order to reduce your Total Margin Requirement; and/or
- Depositing additional funds into your Account in order to satisfy the Total Margin Requirement.
- If you choose to deposit additional funds into your Account, these additional funds must be Cleared Funds before they will be treated as having satisfied your Margin Call obligations.
- These steps may not be necessary if there is an increase in the value of your held positions due to a further market fluctuation.
- Once your Total Equity balance falls below your Total Margin Requirement, you may wish to consider whether to place a Stop-Loss order with us to try to avoid a deficit balance on your Account. Section 12 outlines the orders that you may place (including Stop-loss orders) that, if used appropriately, can assist you in avoiding a deficit balance on your Account. Our policy is not to provide credit facilities on any accounts.
- In some instances, the placing of Stop-loss Orders may not always limit your losses to the amounts that you may want. Refer to section 12.1.
- Once your Total Equity balance falls below your Total Margin Requirement, you may be restricted from dealing on your Account until your Total Equity balance meets or exceeds your Total Margin Requirement.

9.20 Failure to meet Margin calls

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

9.21 Revaluation of Positions

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

9.22 Liquidation Level

We may place a liquidation order for your open Position(s) when your Total Equity balance falls below 50% of your Total Margin Requirement (the Liquidation Level). At or below this Liquidation Level, we may liquidate some or all of your open Positions.

However, we do not represent or warrant that we will place such liquidation orders, that they will be executed, or that your open Positions will be closed out at any level. You are responsible for losses that you may incur, despite us having the right to close-out your Position before the losses were incurred.

9.23 Arbitrage, Scalping and Manipulation

Price feed errors, internet, connectivity delays and trade manipulation can sometimes create a situation where prices displayed do not accurately reflect market rates. The act of arbitrage, 'scalping', or taking advantage of internet delays, is expressly prohibited on the INGOT Brokers Platforms, and INGOT Brokers strictly forbids any form or price or trade execution manipulation arising out of platform errors or omissions of any nature. INGOT Brokers reserves the right to void any such transactions and/or reverse the transaction and/or withhold funds suspected of being derived from such activities and will not accept any liability to clients for losses incurred in such circumstances and also reserve the right to close your account with immediate effect.

Our rules against these types of trading are stipulated in clause 21.2 of the Client Agreement.

10. FEES AND CHARGES WHEN DEALING IN MARGIN CONTRACTS

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

- Margin adjustments;
- Rollover Charges at the INGOT Brokers Rollover Rates;
- Stock borrowing costs;
- Exchange fees;
- Administration charges.

The fees and charges may change from time to time and may differ according to whether you are an Australian Client or a Foreign Client but will be notified to you.

10.1 Commissions

The details of any Commissions payable are available on the Website, and you should check any of such details before entering into a Contract with us.

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

10.2 Rollovers

When you hold a Position or Positions overnight, in a Margin FX Contract, a Gold CFD, a Commodity CFD, or an Index Future CFD, they will be rolled to the next day which may result in you, If your account is a Swap bearing account, paying Rollover Charge or receiving Rollover Benefit at the INGOT Brokers Rollover Rate.

Margin FX Contracts

Our Rollover Rate for Margin FX Contracts is a varying rate that is dependent on the currency pair, the applicable rate in the interbank markets according to the duration of the rollover period, the size of the position and the spread that is applied at our discretion.

The Interbank Rate that is applied is the interest rate differential between the two applicable currencies (Interbank Rate). For example, if you have a long Australian dollar / US Dollar (AUD/USD) position and interest rates are higher in AUD than in USD, then you may receive a Rollover Benefit of interest at the INGOT Brokers Rollover Rate if you hold a position overnight and do not close it before the New York close of the markets on that day. This is because you are holding a high yielding currency. However, if the USD interest rate is higher than AUD then the interest rate differential may cause you to pay a Rollover Charge (being interest at the INGOT Brokers Rollover Rate) if you hold the position overnight and do not close it before the New York close of the markets on that day.

Any interest that you pay or received is reflected in the price at which the open position is rolled forward.

Gold CFDs

In the case of Gold CFDs, the Rollover Charge or Rollover Benefit is calculated by multiplying the total notional value of the position by the Rollover Rate. The INGOT Brokers Rate for Gold CFDs is a varying rate dependent on the applicable rate in the interbank markets according to the duration of the rollover period, the size of the position and the spread that is applied at our discretion.

If you are long on a Gold CFD, you may have to pay us a Rollover Charge, whilst if you are short you may receive a Rollover Benefit from us. In some circumstances, however, the opposite may apply. For example, if you have a long US dollar/ short Gold Position and interest rates in the USA are higher than the Rollover Rate applied by us then you will receive a Rollover Benefit of interest at our Rollover Rate if you hold the position overnight. This is because you are holding the higher yielding asset. However, if the Rollover Rate applied by us is higher than the US interest rate you may have to pay a Rollover Charge (charged at our Gold Rollover Rate) if you hold the position overnight.

Spot commodities CFDs

Our Rollover Rate for Spot commodities CFDs is a varying pre-defined rate that is dependent on the asset, the duration of the rollover period, the size of the position and the spread that is applied at our discretion.

Commodity CFDs

If held until our Expiry Date, your Commodity CFD position will be automatically closed out by us at our "Commodity Rollover Price" on our Expiry Date of the CFD.

The position in the Next Serial CFD Contract is opened at the official settlement price of the Underlying Instrument on the Expiry Date of relevant Commodity CFD.

Please note that the Expiry Dates for our Commodity CFDs may differ to that of the underlying commodity futures contract. The Expiry Dates for our Commodity CFDs can be obtained from the INGOT Brokers Platform and/or website.

Index Future CFDs

An Index Future CFD will expire on the last business day preceding the day of expiry of the relevant Underlying Instrument, which is an Equity Index Futures Contract that expires on a monthly or quarterly basis.

The Next Serial CFD Contract will become available 2 Business Days prior to the expiry of the current Index Future CFD. This is dependent upon liquidity and may be subject to change at our absolute discretion.

Pending orders on Index Future CFDs will be cancelled upon the expiry of the Index Future CFD upon which the pending order is placed.

Should an open position in relation to an Index Future CFD be held until expiry, then that position will be automatically closed at the official closing price of the relevant Underlying Instrument Cryptocurrencies CFDs

Our Rollover Rate for Crypto Currency is a varying pre-defined rate that is dependent on the crypto, the duration of the rollover period, the size of the position and the INGOT Brokers Spread that is applied at our discretion.

10.3 Settlement of Rollover Charges and Rollover Benefits

Rollover Charges and Rollover Benefits will be settled by us on each day by debiting or crediting your Account with the daily interest rate differential between the amount of interest payable by you under the open Position and the amount of interest payable by us to you under the open Position. If there are insufficient funds in your Account, any amount due to us because of the Rollover Charges becomes a debt due and owing by you to us.

10.4 Overnight Financing for Share and Index CFDs

Share and Index CFD positions held overnight will have a Financing Charge or Financing Benefit applied according to the total notional value of the position at the relevant Financing Rate If your account is an interest or Swap bearing account. If you are long on a Share or Index CFD you may pay a Financing Charge to us, whilst if you are short on a Share or Index CFD you may receive a Financing Benefit from us at the relevant Financing Rate. The method used by us to calculate the Financing Rates is set out in section clause 6.2 of the Client Agreement.

If a Share or Index CFD position is not held overnight, you will pay no Financing Charge nor receive a Financing Benefit.

10.5 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 INGOT Brokers Platform.

10.6 Stock Borrowing Costs

If we choose to go short in the Underlying Market to hedge any of your CFD positions, we reserve the right to pass on any stock borrowing costs incurred by us in Exceptional Market Conditions as reasonably determined by us. You will be notified as to the nature and amount of stock borrowing costs before they are applied to your account.

As this cost only relates to Exceptional Market Conditions, it will be extremely unlikely that these costs would be passed on to you in the course of regular trading.

10.7 Administration charges

We reserve the right to charge additional fees in certain circumstances without notification; these charges will be updated on the website and/or the INGOT Brokers Platform. It is your responsibility to ensure you know of applicable charges.

10.8 Interest

We are also entitled to retain any interest earned on client money held in the segregated accounts we must maintain under the Corporations Act. The rate of interest is determined by the provider of each segregated account.

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

11. HOW ARE OUR MARGIN CONTRACTS AND CFDS TRADED?

We provide an online INGOT Brokers Platform which enables clients to trade in our Margin FX Contracts and CFDs. As stated in section 14 of this PDS, the Margin FX Contracts and CFDs offered by us may be closed-out by entering clicking on the close button.

12. WORKING ORDERS

We offer clients a way of managing the volatility of dealing in our Margin FX Contracts and CFDs by offering a range of working orders. Certain Positions can be traded in conjunction with our limit and stop loss orders which are designed to either optimize your exposure to the market or limit your loss by instructing that trades be executed at pre-determined price levels.

Important notice about this section

If you request placement of one of the types of orders described in this section, we have an absolute discretion whether to accept and execute any such request. Please refer to sections 20 and 21 for details of our right to refuse orders and the associated risks. Our right to refuse your request to place an order to establish a new Position is set out in full in section 4 of the Client Agreement. You should refer to these clauses in which we may exercise our discretion to accept your order. The price at which we accept an order to deal will generally be based on filling the full volume of the order in one transaction.

12.1 Stop-loss Orders

A stop-loss order is an order placed with the aim of limiting the potential loss on an open position. A stop-loss order allows you to specify a price at which you wish to close-out a Position Stop-loss orders must be placed at a minimum distance from our current bid and offer prices. The minimum distance away from a stop-loss order placement will be advised to you upon request. We will execute a stop-loss order once the offer price reaches the order price in the case of a buy-order, or our bid price has reached the order price in the case of a sell-order.

We note that stop losses are not guaranteed and the execution of such orders will depend on market volatility and liquidity. A stop-loss order is triggered automatically when the stop-loss price is reached. Once the stop-loss price is reached, the stop-loss order becomes a market order to buy or sell (depending on your instructions). The stop-loss order could be activated by a short-term fluctuation in the markets, or in a fast-moving market, the price at which the trade is executed could be much different from the stop-order price. This is known as “gapping” and is due to market movements during the time it takes to open or close Positions, under extreme market volatility stop-loss orders minimum distance will be variable. The operation of these order types should be discussed with one of our representatives. You should also refer to our Client Agreement with respect to the operation of these order types.

12.2 Stop-entry Orders

A stop-entry order is an order placed to open a new Position or increase an existing Position at a price which is inferior to the current market price. You may use this type of order when you expect that the price will move significantly in the future from its existing trading range, under extreme market volatility stop-entry orders minimum distance will be variable. Stop-entry orders can be placed to open new Positions in all our products. You should also note that stop-entry orders must be placed at a minimum distance from a current bid and offer prices, which distance is determined at our discretion. You should refer to our website or contact us for information about the levels at which you may place stop-entry orders.

The stop order could be activated by a short-term fluctuation in the markets, or in a fast-moving market, the price at which the trade is executed could be much different from the stop-order price. This is known as "gapping" and is due to market movements during the time it takes to open or close Positions.

12.3 Limit Orders

A Limit Order may be used by you to either open a new position or close an opened position at a predetermined price that is more favourable to you than the current market price. We will execute your Limit Order when our offer price has reached the price of your buy-limit order or our bid price has reached the price of your sell-limit order, under extreme market volatility limit-orders minimum distance will be variable.

12.4 How to place market orders with us

Market orders may be placed online via the INGOT Brokers Platform. If you require assistance you should contact one of our representatives.

12.5 Fees for placing market orders

There are no fees associated with using working orders via our online INGOT Brokers Platform.

12.6 Our right to impose orders

You acknowledge that under the Client Agreement we may impose a Stop-loss order on one or more of your Positions.

13. TRADING EXAMPLES

We highly recommend that you familiarize yourself by opening a Demo account and obtaining independent professional advice.

14. SETTLEMENT OR CLOSURE OF A POSITION

As mentioned above, settlement will occur through the closing out of a Margin Contract Position, that is by taking an equal and opposite Position with us either by:

Single Position Closing

A single open trade Position can be closed by choosing the close button when you execute the trade online. This Contract will then be closed and offset by the opposite trade. Or;

Closing by Hedging Positions

Once the client chooses to hedge his positions, he will no longer be exposed to market fluctuations however hedging will not be considered as reverse operation to the original position i.e. the margin will increase if you choose to hedge your positions.

In the case of insufficient funds the Client might not be able to hedge his position. Or;

Closing by Opposite Positions
You can choose to close a position by an opposite Position but not offsetting the two trades. You can execute an opposite trade and both long and short positions will appear in your trade account. You can choose to offset the trades later when you prefer.

15. SIGNIFICANT BENEFITS OF MARGIN FX CONTRACT AND CFD PRODUCTS

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

15.1 Hedging

You can use our Margin FX Contracts and CFDs to hedge your exposures. Our foreign exchange products provide foreign exchange risk management tools to enable those with foreign currency exposures to protect their business against adverse exchange rate movements, provide certainty of foreign exchange rates, exposures and cash flow certainty. Our Commodity CFDs can also provide a hedge against rising or falling prices in asset prices.

15.2 Speculation

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

15.3 Flexibility

The use of Margin FX and CFDs allows the option of going Long or Short in any contracts.

15.4 CFDs

Similar benefits may be obtained by hedgers and speculators by trading our CFDs.

15.5 Market Position

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

15.6 Leverage and Negative balance protection

a. Leverage

The use of our financial products involves a high degree of leverage. These contracts enable a user to outlay a relatively small amount (in the form of premium or initial margin) to secure an exposure to the underlying assets. This leverage can work against you as well as for you. The use of leverage can lead to large losses as well as large gains.

b. Negative balance protection

In compliance with the Product Intervention Order, ASIC Corporations Instrument 2020/986 INGOT Brokers is providing clients with Negative Accounts Protection by limiting retail client's CFD losses to the funds in their CFD trading account.

15.7 The INGOT Brokers Platform

There are significant benefits associated with the use of the INGOT Brokers Platform. These include:

- the ability to trade in small amounts as little as USD 30 margin;
- the provision of access to a large pool of financial products markets at any time;
- real-time streaming of quotes and the facility to check your accounts and positions in real time and 24 hours a day on any global market which is open for trading;
- competitive spreads, no commissions: you do not pay any commission in respect of the transactions you enter with us other than specifically mentioned instruments. We are a market maker, not a broker, and we generally make our money from the spreads that are embedded in the price of the instruments.

16. SIGNIFICANT RISKS OF DEALING IN MARGIN FX CONTRACTS OR CFDS WITH INGOT BROKERS

You should carefully consider whether dealing in Margin FX Contracts or CFDs is appropriate for you in the light of your financial circumstances. In deciding whether you wish to become involved in these transactions, you should be aware that these products are speculative in that they are highly leveraged and carry a significantly greater risk than non-leveraged investments. Consequently, you could lose large amounts of money and may sustain losses in of the moneys you deposited with us and in excess of the Margin required to establish and maintain your Margin position.

We will not give you any personal financial product advice in relation to Margin FX Contracts or CFDs. We will only be providing you with general advice and as such, this advice will not consider your objectives, financial situation or needs.

Accordingly, you should obtain your own financial, legal, taxation and other professional advice as to whether Margin FX Contracts or CFDs are an appropriate investment for you. The risks also include the following:

16.1 Loss of Moneys

You may incur losses to the extent of your total exposure to us.

You should be aware that if you acquire a Margin Contract for other than proper hedging purposes you will be fully exposed to movements in the price of the Underlying Instrument.

The risk of loss will be increased where you borrow to acquire the product as the total loss which may be incurred will be the loss on the product together with the amount you borrowed and any associated borrowing costs.

In compliance with the Product Intervention Order, ASIC Corporations Instrument 2020/986, INGOT Brokers is providing clients with Negative Accounts Protection by limiting retail client's CFD losses to the funds in their CFD trading account.

16.2 Risk resulting from margin calls

The risks associated with the obligation to meet Margin Calls are described in section 9.9. If the Margin Contract price moves against your Margin FX Contract Position or CFD Position you may be required, at short notice, to deposit further money with us in order to satisfy your Total Margin Requirement and maintain your Position. The amount of the additional Margin may be substantial and failure to pay it promptly may result in:

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

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

16.3 Derivative Markets

Derivative markets are speculative and volatile, as explained elsewhere in this PDS. Margin FX Contracts and CFDs are derivative instruments and can be highly volatile. Under certain market conditions, the price of contracts may not maintain the usual relationship with the Underlying Markets because of unforeseeable events or changes in conditions, none of which can be controlled by you. Please note there is no trading in positions with INGOT Brokers when there is a trading halt in an Underlying Reference Instrument. In the case of a high volatile market, INGOT Brokers reserves the right to change the Margin Requirement, reprice your position to the best available price or terminate your contract.

The prices of Margin FX Contracts and CFDs will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial programs, trade programs, policies, national and international political, economic events, and their prevailing psychological characteristic of the Derivatives market.

16.4 Cryptocurrencies CFDs risks

Pricing and hedging risk from underlying cryptocurrency assets can be difficult, clients should have enough capital in order to avoid huge losses caused by the high volatility associated with Cryptocurrencies market.

16.5 Dealing may be affected by factors in the Underlying Market

Our prices are derived from prices in the Underlying Market under certain market conditions, it could become difficult or impossible for you to manage the risk of open Positions by entering into opposite Positions in another contract or closing existing Positions. Sometimes markets move so quickly that gapping occurs. Gapping is the exposure to loss from failure of market prices or rates to follow a "smooth" or continuous path due to external factors such as world, political, economic and specific corporate events. If gapping occurs in the Underlying Market, it will also occur in the price of the relevant CFD and may mean that you are unable to close-out your position or open a new position at the price at which you have placed your order or may have liked to place your order.

The Underlying Market may lack liquidity, caused by insufficient trading activity or because the aggregate of all requests for orders at a price determined by us exceeds the available volume in that market. This may affect our ability to offer Margin FX Contracts or CFDs in enough volume to allow you to close-out your Position or open a new Position. As a result, a potentially profitable deal may not be executed, or it may not be possible to close-out a Position in a timely fashion at the price you require. This may lead to reduced profits and high losses.

We have the right to close your open Position, limit the size of your open Position or refuse orders to establish new Positions, by giving you notice orally or in writing. You should refer to clause 15.1 of the Client Agreement.

16.6 Your account will be maintained in the currency that you have nominated: that is, the Base Currency.

When you deal in a Margin Contract that is denominated in a currency other than the Base Currency, all initial and variation Margins, profits, losses, rollover fees, interest rate payments/receipts in relation to that product are calculated using the currency in which the product is denominated. Accordingly, your profits or losses may be affected by fluctuations in the relevant Underlying Market price between the time the order is placed and the time the Position is closed, liquidated, offset or exercised.

Upon closing a Position that is denominated in a currency other than the Base Currency of your account you will be able to request that the foreign currency balance be converted to the Base Currency of your account. Any conversion will be at the exchange rate quoted by us and subject to the Conversion Fee (please refer to subsection 10.5 of this PDS). Until the foreign currency balance is converted to the Base Currency, fluctuations in the relevant foreign exchange rate may affect the unrealised profit or loss made on the Position.

16.7 Loss caused by spread

Because of the difference between the buying and selling price of a Margin Contract, the relevant price must move favourably before you can break even. In other words, even if the price does not move at all and you close-out your Position, you will make a loss to the extent of our spread and any other charges you have incurred to us.

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

You should also note that a “spread position”, that is, the holding of a bought contract for one specified date and a sold contract for another specified date, is not necessarily less risky than a simple “long” (i.e. bought) or “short” (i.e. sold) Position.

16.8 Counterparty risk

Hedging - You will be dealing with us as counterparty to every transaction and you will, therefore, have an exposure to us in relation to each transaction. This is common in all over-the-counter (OTC) financial market products. Consequently, you will be reliant on our ability to meet our counterparty obligations to you to settle the relevant contract. We may choose to limit this exposure by entering into opposite transactions as principal in the wholesale market in relation to our exposures with our clients. It is important to note, however, that we must always strictly comply with the financial requirements imposed under our AFS Licence.

INGOT Brokers has risk management and compliance systems in place to manage its risks including but not limited to financial, operational and credit risks. Funds are held with reputable financial institutions. INGOT Brokers has policies around monitoring client positions, margin calls and liquidations. Also, INGOT Brokers monitors market risk daily against set limits. The steps that are taken to ensure this include:

- Performing a daily adjusted surplus liquid funds calculation, ensuring that we meet the minimum liquid capital requirement set by ASIC; and
- Performing a daily client cash segregation calculation, ensuring that we hold adequate cash in our Clients' Segregated Account in order to meet our obligations to the client. All client cash is maintained in fully segregated trust accounts separate to INGOT Brokers' operating account.
- INGOT Brokers has hedging agreements with major worldwide exchanges. Before a new relationship with a new hedging counterparty is formed, INGOT Brokers undertakes an extensive due diligence process. This process will include a review of several key factors that relate to the risk of dealing with the counterparty. These include:
- the counterparty's credit rating, reputation, market presence, funding arrangements, stock availability, trading platforms, reporting processes and fees and charges;
- the enforcement of leverage limits based on the account equity of the client and the instruments being traded;
- the enforcement of market risk limits on the net exposure and daily loss limits of INGOT Brokers;
- the selection and maintenance of hedge counterparty relationships based on, amongst other things, their financial capacity and resilience.
- whether the funds placed by INGOT Brokers as collateral are subject to Segregation;
- the counterparties' financial strength and stability based on its credit rating and that of its parent (if any);
- the services it provides and the strength of its operational controls and systems.

Financial Resources - INGOT Brokers maintains an ongoing policy about the management and ongoing monitoring of its financial resources. INGOT Brokers conducts annual AFSL audits which are available free of charge from INGOT Brokers by calling +61 2 80466500 or email: customerservice@ingotbrokers.com.au.

- This policy addresses the following matters, amongst other things:
- The methodology employed by INGOT Brokers to measure and assess its regulatory financial requirements under its Australian Financial Services License;
- Linkages between the budgetary planning process and the financial requirements;
- Scenarios used to forecast the cash resources available to INGOT Brokers to meet its financial requirements; and

- Roles and responsibilities for measuring and monitoring the financial condition against the requirements.
- To mitigate the risks of failing to satisfy the financial requirements under its license and to provide assurance that INGOT Brokers always has enough financial resources, the firm:
- Has established an internal requirement to maintain a capital buffer over and above the external regulatory requirement;
- Measures and monitors the internal buffer and the external financial requirements against the firm's actual financial condition daily; and
- subjects the firm's financial condition to quarterly scenario tests to assess compliance with the regulatory capital requirements and its ongoing financial needs under stressed conditions

You should also refer to section 26 of this PDS where there is a discussion about our conflicts of interest. These conflicts arise because we are the issuer of the products to you, and we have, therefore, an economic interest in the price at which you deal and the subsequent movement in the price.

16.9 Not a regulated market

As pointed out above, we are the market maker and contracts entered into with us are not traded on a licensed market. Accordingly, the protections associated with licensed markets are not available to individuals, corporations or other entities trading in our products.

16.10 Regulatory changes

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

16.11 Systems risk

We outsource the operation of our online INGOT Brokers Platform for dealings in Margin FX Contracts and CFDs to a third party. Accordingly, we rely upon this third party to ensure the systems are updated and maintained. But there are operational risks associated with any INGOT Brokers Platform and any disruption may mean that you will be unable to trade in the product with us when desired. Accordingly, you may suffer a loss as a result caused by a delay in our operational processes such as communications, computers, computer networks, software or external events that cause delays in the execution and settlement of a transaction. We do not accept or bear any liability whatsoever in relation to the operation of the INGOT Brokers Platform, except to the extent that it is caused by fraud or dishonesty on our part or on the part of our employees, agents or representatives.

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

17. DEALING WITH YOUR MONEY

17.1 Client Money

Any money that you deposit with us will be segregated and held and invested in accordance with the Australian Client Money Rules set out lin Part 7.8 of Division 2 of the Corporation Act and ASIC Regulatory Guide 212: Client Money Relating to Dealings in OTC Derivatives.
We do not use Retail and Sophisticated Investor client money for the purpose of meeting obligations incurred by us when hedging with other counterparties. Any obligations incurred by us in connection with such transactions are funded by us from our own money. In addition, client money is not used to meet the trading obligations of other Customers. We are also obliged to deposit any moneys due to you in relation to dealings in our Products and we must deposit them into a Clients' Segregated Account.

Withdrawals from client money will only be made to you (or a third party where compliant with regulations) on your instructions, into your bank account, or to us where it is due and payable or where it is an excess to the Clients' Segregated Account. We reserve the right that if the account is being closed, to investigate the trading history for any anomalies or breach of contract. This may delay the return of your funds to your nominated bank account for up to 7 days. Any breaches will be dealt with under clause 17 of the Client Agreement.

17.2 Protection afforded by the Australian Client Money Rules

Any money that you deposit with us for trading will be held in segregated client money bank accounts that we maintain with Australian Authorised Deposit Taking Institutions in compliance with the Australian Client Money Rules and ASIC Regulatory Guide 212 (Client money relating to dealing in OTC derivatives).

Furthermore, the RG212 provides that if we lose our Australian Financial Services Licence, become insolvent, merge with another licensee or cease to carry on some or all of the activities authorised by the licence, customer money held by us or an investment of customer money, will be dealt with as follows:

a) the first payment is of money that has been paid into the account in error;

b) if money has been received on behalf of insured persons under a contract of insurance, the second payment is payment to each insured person entitled to receive money from the client money account for claims that have been made and then for other matters;

c) the next payment is payment to each person who is entitled to be paid money from the client money account;

d) if the money in the client money account is not sufficient to be paid in accordance with paragraph (a), (b) or (c), the money must be paid in proportion to the amount of each person's entitlement; and

e) if there is money remaining in the account after payments made in accordance with the above, the remaining money is taken to be money payable to the licensee.

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

Under the ASIC Client Money Reporting Rules 2017, we are required to comply with various record-keeping, reconciliation and reporting obligations in relation to the retail and sophisticated client money held in the client money trust. Under these rules, INGOT Brokers must:

- Keep records of retail and sophisticated client money received and retain such records for 7 years;
- Perform a daily and monthly reconciliation of the retail and sophisticated client money on INGOT Brokers' accounts with the actual retail and sophisticated client money held in the client money trust;
- Notify ASIC within 5 business days if INGOT Brokers identifies a breach of the ASIC Client Money Reporting Rules or if a discrepancy is identified by the reconciliation;
- Lodge with ASIC an annual director's declaration and an external auditor's report on INGOT Brokers' compliance with the ASIC Client Money Reporting Rules within 4 months of the end of INGOT Brokers' financial year; and
- Establish, implement and maintain policies and procedures designed to ensure INGOT Brokers' compliance with the ASIC Client Money Reporting Rules.

17.3 Warning about Clients' Segregated Accounts

It is important to note that our holding your moneys in one or more Clients' Segregated Account may not afford you absolute protection.

The purpose of Clients' Segregated Account is to segregate our customers' money, including your moneys, from our own funds. However, individual customer's money is co-mingled into one or more segregated customer accounts.

Furthermore, Clients' Segregated Account may not protect your moneys from a default in the segregated customer accounts.

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

17.4 What is an unsecured creditor?

If you become an unsecured creditor of us, you will need to lodge a proof of debt with the liquidator for the amount of moneys that are owing to you as evidenced by your account statements. The liquidator then assesses all proofs of debts to determine which creditors can 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.

18. DEFAULT POWERS

We have extensive powers under the Client Agreement to take action in a range of "Event of Default" situations to protect our position. These include, for example, where you fail to make a payment or perform your obligations, where you become bankrupt or insolvent or where we have been unable to contact you for urgent instructions. Our powers enable us to terminate or close-out positions, enforce securities we hold and set off payments, amongst others.

Further, if your unrealised loss in relation to any Margin FX Contract Positions, CFD Position exceeds 50% of the initial margin we hold for the Position, or the client has received a margin call and not sufficed it, we are entitled to close-out the Position without further instruction from you.

19. CLIENT AGREEMENT

In order to open an account, you are required to complete the Application Form, under which you agree to be bound by the Client Agreement which contains the terms and conditions which govern our relationship with you.

You consider seeking independent legal advice before entering into the Client Agreement, as the terms and conditions detailed in it are important and affect your dealings with us.

The following are key terms and conditions in the Client Agreement, many of which have been referred to in this PDS.

- Client representations and warranties
- Margin and Premium
- Client obligations regarding confirmations (discrepancies)
- Our rights following a default event
- Indemnity in favour of us
- Fees and charges
- Restrictions on assignment of agreement
- Telephone recordings
- Governing law (New South Wales).

20. DISCRETIONS

We may exercise a variety of discretions in respect of your trading in financial products. In exercising such discretions, we will have due regard to our commercial objectives, which will include:

- maintaining our reputation as a product issuer;
- responding to competitive market forces;
- managing all forms of risk including, but not limited to, operational risk and market risk; and
- complying with our legal obligations as a holder of an Australian financial services license.

21. LIMITATIONS ON LIABILITY

If you fail to pay or provide security for amounts payable to us, or fail to perform any obligation under your contracts, we have extensive powers under the Client Agreement with you to take steps to protect our position including, for example, power to close-out positions. Under the Client Agreement, you also indemnify us for certain losses and liabilities. Further, our liability to you is expressly limited. You should read the contract carefully to understand these matters.

22. TAXATION CONSIDERATIONS

We do not provide taxation advice and we advise you to seek independent professional advice for your tax position.

More information is available at www.ato.gov.au.

23. COOLING-OFF ARRANGEMENTS

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

24. SECURITY

Please note that in accordance with clause 10.1 of the Client Agreement, and in addition to Margin, you must pay to us such sums of money as we may from time to time require as security for your obligations to us.

25. SUPERANNUATION FUNDS

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

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

- the 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.
- You must notify us if you are funding your account with superannuation funds, as that may impact your classification as a wholesale or retail client.

26. DISCLOSURE OF ANY RELEVANT CONFLICTS OF INTEREST

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

We will always act as principal for our own benefit in respect of all transactions with you. This means that we, our associates or other persons connected with us may have an interest, relationship or arrangement that is material in relation to any Margin Contract or entered with us, or advice provided by us.

We repeat that we are a market maker, not a broker. Accordingly, you will be trading financial products directly with us, and not on any financial market. As a market maker, we set the prices that refer to, but may not always be the same as, those in the Underlying Market. We will always act as a principal, not as an agent, for our own benefit, in respect of all transactions with you.

27. REMUNERATION AND OTHER BENEFITS RECEIVED BY OUR EMPLOYEES

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

28. CLIENTS MAY BE TREATED DIFFERENTLY

We, in our absolute discretion may quote different prices, and charge Rollover Charges and other charges at different rates, to different clients.

29. Article deleted.

30. Article deleted.

31. MAKING A COMPLAINT

INGOT Brokers Australia has an internal dispute resolution process in place to resolve clients' complaints timely and fairly. Clients who wish to file a formal complaint must do so by contacting us through our "Contact Us" page on our website along with any relevant attachments. We will seek to resolve your complaint within prescribed timeframes that may reasonably be required given the nature of the complaint. We will investigate your complaint and provide you with our decision and the reason on which it is based, in writing.

Following the investigation of your complaint, if the issue has not been resolved to your satisfaction within 30 days after submitting the complaint, you may wish to contact the Australian Financial Complaints Authority (AFCA). AFCA is an external dispute resolution (EDR) scheme established to resolve disputes between financial institutions and their customers. The service provided to you by AFCA is free and our membership number is 31298.

Australian Financial Complaints Authority (AFCA):

Website: www.afca.org.au Email: info@afca.org.au Telephone: 1800 931 678 (free call) In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

Please refer to clause 30.2 of the Client Agreement for what you should do in the circumstances your dispute does not fall within the AFCA rules.

32. OUR PRIVACY POLICY

We are committed to protecting your privacy. The information you provide to us and any other information provided by you in connection with your transactions will primarily be used for the processing of your application and for complying with certain laws and regulations. We have systems and processes in place which safeguard against the unauthorised use or disclosure of your personal information. We may use this information to send you details of other services or provide you with information that we believe may be of interest to you. Please visit our website or contact us at if you have any concerns of if you would like to see a copy of our privacy statement.

33. RECORDING OF TELEPHONE CALLS

As a matter of common industry practice, we electronically record your telephone discussions with us. When you open an account with us, you give us consent to make such recordings, with or without an automatic tone warning device, and to use recordings or transcripts from such recordings for any purpose, including, but not limited to, their use as evidence by either you or us in any dispute.

34. INTERPRETATION AND GLOSSARY

Interpretation

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

GLOSSARY

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

ACCOUNT	means an account you have with us;
AEST	means Australian Eastern Standard Time, the time zone in Sydney, New South Wales, Australia
AFCA	means the Australian Financial Complaints Authority.
CLIENT AGREEMENT	means the Client Agreement, as amended, varied, or replaced from time to time;
AML/CTF ACT	means the Anti-Money Laundering and Counter-Terrorism Financing Act and all regulations, rules and instruments made under that Act;
APPLICATION FORM	means the application form and account opening documentation, including documentation required to be returned for the purposes of complying with Anti-Money Laundering and Counter-Terrorism Financing legislation, completed by you and submitted to us whether electronically or in hard copy.
ASIC	means the Australian Securities and Investment Commission.
AUD	refers to Australian Dollars.
USD	refers to United States Dollars.
AUSTRALIAN CLIENT	means a client who is a resident within Australia (based on the address in their Application Form or as notified by the Client to us from time to time).
AUSTRALIAN CLIENT MONEY RULES	means the provisions in Part 7.8 of Division 2 of the Corporations Act and the Corporations Regulations made under those provisions that specify the way financial services licensees are to deal with client moneys and property as modified by ASIC, including but not limited to the ASIC Client Money Reporting Rules 2017 as amended from time to time.
INGOT BROKERS EXCHANGE RATE	means the buy or sell rate we exchange one currency for another
INGOT BROKERS PRODUCT SCHEDULE	means the list of Margin FX Contracts and CFDs which we from time to time are willing to quote a price, as amended by us from time to time. The Product Schedule is available at www.ingotbrokers.com.au
INGOT BROKERS ROLLOVER RATE	means the rate as we may determine from time to time having regard to Interbank Rates for rollovers.
INGOT BROKERS SPREAD	means the difference between the bid and offer prices of a Contract quoted from time to time by us and, where appropriate, expressed as a percentage of the relevant price.
BASE CURRENCY	means the currency selected by you under the Client Agreement and which, in the absence of a selection will be USD dollars;

GOLD CFD	A CFD whose value fluctuates by reference to the fluctuations in the Underlying Instrument which relates to gold.
BUSINESS DAY	means: (a) in relation to services other than CFDs on a Security, Index, Futures, or ETFs, any day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Sydney, New South Wales, Australia; and (b) in the case of services relating to CFDs on a Security, Index, Futures, or ETFs to which Limited Hours Trading applies, any day on which the exchange on which the relevant Security or each constituent Security has its primary listing, or the exchange on which the Index operates, whichever is applicable, is open for trading, and will exclude any day on which all trading on the relevant exchange is closed or suspended; (c) in the case of services relating to CFDs on a Security, Index, Futures, or ETFs to which Limited Hours Trading does not apply, any day on which any relevant exchange is open for trading.
CASH DIVIDEND	means the cash dividend or distribution declared and does not include any Franking Credits attached to a dividend or distribution.
CFDS	means the contracts for difference that we offer to clients from time to time under this PDS and the terms and conditions of the Client Agreement.
CLEARED FUNDS	means funds that have been deposited with INGOT Brokers and are immediately available to us.
CLOSING PRICE	means the price determined by us, from time to time, having regard to the last traded or mid close price and our Spread as may be appropriate for the Underlying Instrument;
COMMODITY CFDS	means a CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Instrument, which is a futures contract of Commodity
COMMODITY ROLLOVER PRICE	has the meaning given to that term in section 10.2.
CONTRACT	means any contract, whether oral or written, including any derivative, future, contract for difference or other transaction relating to such financial products entered into by us with the Client or any back-to-back agreement which we enter into to enable us to enter into or fulfil our obligations under any such contract.
CORPORATE ACTION	includes, but is not limited to bonus issues, reconstructions, rights issues and stock splits in respect of an Underlying Instrument.
CURRENCY LEDGER BALANCE	upon realising your profit and loss for a Margin Contract Position denominated in a foreign currency you will hold a foreign currency balance in your Account that can be converted back to your Base Currency upon request (and which may be converted back to your Base Currency by us in certain circumstances as described in this PDS);
CONTRACT PRICE	means the price we offer you to trade in our financial products from time to time and which is calculated by us according to the Client Agreement;

CORPORATIONS ACT	means the *Corporations Act 2001* of the Commonwealth of Australia;
ELECTRONIC SERVICE	means a service provided by us, for example an internet trading service offering clients access to information and trading facilities, via an internet service, a WAP service and/or an electronic order routing system and including relevant software provided by us to enable you to use an electronic trading service;
EXCEPTIONAL MARKET CONDITIONS	means an exceptional market condition as we may in our reasonable opinion determine exists, including but not limited to, a Force Majeure Event;
EXPIRY DATE	means the day on which the Margin Contract or CFD expires;
EVENT OF DEFAULT	means an event enumerated as Specified Event in the Client Agreement;
FORCE MAJEURE EVENT	has the meaning given to it in clause 29 of the Client Agreement;
FOREIGN CLIENT	a Client who is a resident outside Australia (based on the address in their Application Form or as notified by the Client to INGOT Brokers from time to time).
FREE EQUITY	is your Total Equity less your Margin Requirement;
FSG	means our relevant financial services guide, including a supplementary and replacement financial services guide;
GAPPING	Gapping is the exposure to loss from failure of market prices or rates to follow a "smooth" or continuous path due to external factors such as world, political, economic and specific corporate events. 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 pending order price you have specified; instead, your Order may be filled at the next best price which might be better or worse.
GROSSED-UP DIVIDEND	The grossed-up amount of the dividend is the sum of the Cash Dividend plus any Franking Credit attached to the Cash Dividend that a person who owns the Underlying Instrument is entitled to.
INDEX CFDS	means a CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Instrument, which will relate to a share index.
INDEX FUTURES CFDS	Means a CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Instrument, which is an Equity Index Futures Contract.
INGOT BROKERS PLATFORM	means the INGOT Brokers Platform in the Electronic Service we make available to you by which you may trade with us online in our Margin FX Contracts and Margin CFDs. If in our papers we specifically mention a INGOT Brokers Platform, the same rule will be applied to all INGOT Brokers Platforms that we make available for you to trade;
INTERBANK RATE	means the mid interbank rate calculated by us with reference to the bid and offer prices for the Underlying Instrument most recently quoted by any one or more third party banks;
LIMIT ORDER	has the meaning described in clause 12.3 of this PDS;
LIQUIDATION LEVEL	means the minimum Total Equity balance specified at section 9.22 of this document

LONG PARTY	means, in relation to a Margin Contract, the party that has notionally bought the relevant Underlying Instrument;
MARGIN	means the amount that you must have in your Account to enter into a Margin Contract with us;
MARGIN ADJUSTMENT	means an adjustment to the amount of Margin you need to have in your Account to maintain a Position, due to us changing the Margin Percentage or making a variation of Margin or Margin Call;
MARGIN CALL	a call on you normally made via the INGOT Brokers Platform, requiring you to top up the amount of money you have in your Account as Margin or close or reduce one or more of your open position(s) in order to maintain your Margin Percentage where the market has moved against you, and where the additional payment is required in order to maintain your open Positions;
MARGIN COMMODITY CONTRACT	means a contract between you and us for the taking of Positions in commodities (gold, silver, wheat, oil and such other commodities (excluding foreign exchange) offered by us under the PDS from time to time)
MARGIN CONTRACT	means any contract, whether oral or written or concluded electronically entered into between you and us and includes Margin FX Contracts, CFD's and Margin Commodity Contracts;
MARGIN FX CONTRACT	means a contract between you and us for the taking of spot or forward Positions in a foreign currency as described in clause 7 of this PDS;
MARGIN PERCENTAGE	means, such percentage of the Contract Value as specified by us as described in the current PDS, and as amended by us under the Client Agreement from time to time;
MARGIN REQUIREMENT	is the amount of Margin you are required to have in your Account from time to time in order to enter into a Margin Contract, or to maintain your Position/s;
MINIMUM TOTAL EQUITY BALANCE	means such minimum Total Equity balance in your Account (as amended from time to time) described in paragraph 3.2 of this PDS;
MINIMUM TRADING SIZE	means such minimum contract quantity or contract value as we may specify on our website from time to time for any type of Margin Contract;
MARKET ORDER	means an order placed to buy or sell a CFD at our current price.
MID PRICE	means the price at the mid-point between our bid and offer prices.
MINIMUM POINT INCREMENT	represents the minimum possible price change between two successive transaction prices permitted by us. The Minimum Point Increment can represent either an upward or downward movement in price.
NEXT SERIAL CFD CONTRACT	means a contract of the same type as the relevant CFD Contract, but with the Expiry Date being the next occurring Expiry Date;
NEGATIVE BALANCE PROTECTION	means limiting a retail client CFD losses to the funds in the CFD trading account.
NORMAL TRADING SIZE	means the minimum and maximum contract quantity or contract value that we reasonably consider appropriate, having regard if appropriate, to the normal

	market size for which prices are available on any relevant exchange and for which we quote live price information;
PDS	means our product disclosure statement, including a supplementary and replacement product disclosure statement;
POSITION	means the long or short position you have taken in your Margin Contract with us;
RELEVANT INTEREST RATE	means such applicable interest rate as we may reasonably select from time to time which is appropriate to the currency of the outstanding amount or the Underlying Instruments (as applicable) as detailed on the daily statement, and are also available from us upon request, as set out in section 10.6.
RELATED BODY CORPORATE	has the meaning given to it by the Corporations Act, with any necessary modifications for companies incorporated outside Australia;
ROLLOVER RATE	means the rate determined by us, from time to time, regarding Interbank Rates for rollovers;
ROLLOVER BENEFIT	means a benefit you may receive if your account is a Swap bearing account where you have a short Margin FX Contract, Margin Commodity, Bullion CFD, or an Index Future CFD Position held overnight and which is described in section 10.2 of this PDS;
ROLLOVER CHARGE	means a charge you may have to pay if your account is a Swap bearing account where you have a long Margin FX, Commodity, Bullion CFDs. or an Index Future CFD Position held overnight and which is described in section 10.2 of this PDS;
SHARE CFDS	A CFD whose value fluctuates by reference to the fluctuations in the value of a security of a company that issues the shares.
SHORT PARTY	means, in relation to a Margin Contract, the party that has notionally sold the relevant Underlying Instrument;
SOPHISTICATED INVESTOR	the category of wholesale client as defined in s 761GA of the Corporations Act 2001(Cth).
SPREAD	means the difference in the bid and offer prices of a Margin Contract quoted from time to time by us and, where appropriate, expressed as a percentage of the relevant price.
STOP LOSS ORDER	as described in paragraph 12.1 of this PDS;
TOTAL EQUITY	means the aggregate of the current cash balance in your Account and your current unrealised profits and losses;
TOTAL MARGIN REQUIREMENT	means the sum of your Margin Requirements for all your open Positions;
UNDERLYING ENTITY	means an entity that is the issuer of an Underlying Instrument.
UNDERLYING INSTRUMENT	means the underlying asset, such as security, commodity, futures contract, or index to which the value of a Margin Contract is determined;
UNDERLYING MARKET	means the underlying market in which the Underlying Instrument is traded.
WE/US	means INGOT Brokers (Australia) Pty Ltd (ABN 87159895431);

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