PRODUCT DISCLOSURE STATEMENT

CONTRACTS FOR DIFFERENCE

&

MARGIN FX CONTRACTS

DIRECT FX TRADING Pty Ltd
ACN 120 189 422
AFSL No. 305 539
Level 2, 19-21 Hunter Street
SYDNEY NSW 2000

PRODUCT DISCLOSURE STATEMENT

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INTRODUCTION

This Product Disclosure Statement (**PDS**) is dated May 18th 2012 and was prepared by Direct FX Trading Pty Ltd ACN 120 189 424 Australian Financial Services Licence ("**AFSL**") 305539 (**"Direct FX Trading**" "**our" "we** ") is required to give you this PDS because it is deemed to be the issuer of financial products which are derivatives. This is a PDS written in compliance with the Australian Securities and Investment Commission ("**ASIC**"). This PDS document seeks to explain to you the significant features of our financial products, including their risks, benefits and costs, in a clear and concise manner. Through reading this PDS we hope to provide you with sufficient information to make an informed decision regarding acquiring our financial products.

This document is our PDS for margin foreign exchange contracts ("**Margin FX Contracts**") and Contracts for Difference ("**CFD**"). Under the Corporations Act 2001, a retail client must receive a PDS from a financial services licensee before acquiring a financial product.

If you have any questions regarding our products or this PDS, please contact us, or visit our website at www.directfx.com. If you have any questions regarding the Australian government's regulation of Margin Foreign Exchange Contracts or Contracts for Difference, please visit their website at http://www.asic.gov.au

DIRECT FX TRADING GENERAL INFORMATION

Direct FX Trading holds an Australian Financial Services license ("**AFSL**") AFSL no. 305 539 and is an issuer of Over the Counter ("**OTC**") contracts for Margin FX Contracts and CFD products.

Direct FX Trading can be contacted at:

	Level 2 19-21 Hunter Street Sydney NSW 2000 Australia
Telephone:	+61(02)9114-8544
Email:	support@directfx.com
Website:	www.directfx.com
Facsimile:	+130 858 065
Complaints Officer:	John Martin complaints@directfx.com

PERSONAL FINANCIAL POSITION DISCLAIMER

The information and any general advice in this PDS does not take into account your personal objectives, financial situation and needs. Before trading in the products referred to in this PDS, you should read this PDS and be satisfied that any trading you undertake in relation to these products is appropriate in view of your objectives, financial situation and needs as well as considering the risks associated with dealing in these products. You should read all sections of this PDS before making a decision to acquire the financial products described herein. This PDS is subject to the provisions of the Client Agreement. Before making a decision about acquiring our financial products you should also read our Financial Services Guide ("FSG") and Client Agreement in their entirety.

TAX IMPLICATIONS DISCLAIMER

We recommend that you obtain independent taxation and accounting advice in relation to the impact of Margin FX Contract or CFD gains and losses on your particular financial situation. Trading in Margin FX Contracts and CFD products has the potential for generating substantial profits and the potential for generating substantial losses. The tax implications of such profits or losses may be significant depending upon each individual's financial circumstances. These resultant tax implications can be complex. Your tax adviser should be consulted prior to entering into Margin FX Contracts or CFDs.

Information regarding income tax and capital gains tax consequences of dealing in Margin FX Contracts and CFD products may be found at the Australian Taxation Office's website www.ato.gov.au.

FINANCIAL ADVICE

OTC contracts can be highly leveraged and speculative with a high degree of risk. Potential investors and traders should be experienced in foreign exchange contracts and CFD products or understand and accept the risks of investing in OTC contracts.

We recommend that you consult your financial adviser or obtain other independent advice before trading in the products referred to in this PDS. Direct FX Trading does not and will not give you personal financial product advice and this PDS does not constitute a recommendation or opinion that the products referred to in this PDS are appropriate to you.

ELECTRONIC VERSION OF THIS PDS

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

MODIFICATION OF PDS

The information in this PDS is subject to change from time to time and is up to date as of the date of this document. If there is any material change to this information, we will issue a new or supplementary PDS with the new information. You will be able to find the updated information on our website at www.directfx.com or by contacting us. Upon request, we will send you a paper copy of the information.

JURISDICTION

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

NOTICE OF RISK

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

TERMS AND CONDITIONS

This PDS is an important legal document and its terms are binding on you. Additional legal terms governing our relationship are detailed in the Terms & Conditions section of your Account Application ("Application").

In order to open an account, you are required to complete, sign, and return an Application. The Application is provided to you separately by Direct FX Trading. Your Application to open an account must be approved by Direct FX Trading. Direct FX Trading reserves the right to refuse to open an account for any person.

Direct FX Trading only accepts Margin FX Contract and CFD order instructions via the electronic trading platform. You are required to access the electronic trading platform on a daily basis to confirm that any order instructions you submitted have in fact been received by us, to re-confirm all orders that you placed with us, to review order confirmations we provided to ensure their accuracy and monitor your Margin obligations. Any order discrepancies identified must be reported to us immediately.

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

Direct FX Trading does not guarantee the performance, return of capital from, or any particular rate of return of a Margin FX Contract or CFD product. You may lose more than the amount of funds in your account, and should only invest risk capital (that is, capital you can afford to lose). Please note that the historical financial performance of any Margin FX Contract or CFDs or underlying instrument/market is no guarantee or indicator of future performance.

REGULATORY GUIDE 227

Regulatory Guide 227 (RG227) issued by ASIC sets out 7 disclosure benchmarks for OTC CFDs that are aimed at helping you understand the risks associated with CFDs, their potential benefits and whether trading in CFDs is suitable for you.
More information about the disclosure benchmarks contained in this PDS can be found in RG227.

The following table outlines the disclosure benchmarks and how Direct FX Trading meets each one:

Benchmark	Meets	Additional Information
1. Client Qualification	Yes	Direct FX Trading assesses a potential client's qualification when they apply to open an account. Should a client not meet the predetermined criteria, they will have the opportunity to gain knowledge from Direct FX Trading and retake the assessment. Please see section 3 for more information
2. Opening Collateral	No	This benchmark states that an issuer should generally only accept cash or cash equivalents as opening collateral when establishing an account and where credit cards are used then no more than $1000 should be accepted as the initial payment. Direct FX Trading does not place limits on credit card payments. This is done in order to maximise payment flexibility for clients and to not restrict your choice of funding method. See section 4 entitled "Funding your account" in the PDS.
3. Counterparty Risk - Hedging	Yes	Direct FX Trading maintains and applies a written policy to manage its exposure to market risk due to client positions. See section 7 for more information.
4. Counterparty Risk – Financial Resources	*Yes*	Direct FX Trading maintains and applies a written policy to ensure the ongoing maintenance of adequate financial resources as required under its AFSL. See section 8 for more information.
5. Client Money	Yes	Direct FX Trading maintains and applies a clear

		policy with regards to the use of Client money. Direct FX Trading keeps Client money in a segregated bank account with a reputable Australian bank.
6. Suspended or Halted Underlying Assets	Yes	Direct FX Trading does not allow Clients to open new positions when there is a trading halt in an underlying asset. See section 9 for more information
7. Margins Calls	Yes	Direct FX Trading will contact the Client in regards to a Margin Call. Direct FX Trading reserves the right to Close Out positions when it deems it necessary at its own discretion. See section 10 for more information

ESTABLISHING YOUR TRADING ACCOUNT

You need to establish an Account by completing the application form on Direct FX Trading's website or contacting Direct FX Trading directly.

Since trading OTC derivatives may not be suitable for all investors due to the significant risk involved, all applicants of Direct FX Trading are required to demonstrate a satisfactory understanding of the different aspects of trading. This will be done by the applicant completing a "suitability test" via a series of questions before they can begin trading. You will be required to complete the test at the time you go to open an account. The test allows prospective clients to demonstrate their understanding and experience of the features and risks of OTC derivatives.

Once the "suitability test" is completed, successful clients will be permitted to open an account and trade in it. Those who fail the test will not have an account open at that time, but have the opportunity to retake the test whenever they choose. Direct FX Trading will suggest that you obtain further experience and education before opening an account.

Since all records of the assessments are kept on file, our account managers will have access to them and help anyone who failed to better understand *OTC derivatives* before they retake these tests.

By opening an Account, you agree to the Account Terms.

Before you enter into a transaction, Direct FX Trading will require you to pay an Initial Margin. This is paid to Direct FX Trading (and is not held on your behalf).After you make a transaction, Confirmation of the transaction will be given (such as being reported online or in an online account statement or record).

FUNDING YOUR ACCOUNT

Once your application has been approved you may fund your account in a number of ways.

Clients may deposit funds, as opening and ongoing collateral. Direct FX Trading accepts the following forms of payments:

- credit cards;
- BPay;
- bank transfer; and
- cheques.

Direct FX Trading does not accept "cash equivalents" as opening collateral (e.g. no securities as deposits).

All deposits must be cleared funds before they will be available to you for trading. This can take up to 48 hours, or longer over non-banking days. Payments using BPAY are not cleared funds in your Account at the time of use of BPAY. Generally, cleared funds are received in your Account up to two days after depositing via BPAY.

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

Direct FX Trading will only act on funds that have cleared, so we recommend that you maintain a sufficient Margin in your account at all times to maintain your open positions.

Direct FX Trading does not accept funds transferred from third parties, so it is your obligation to ensure that all funds transferred to us are from the bank account you have nominated in your Application. We may, in our absolute discretion, without creating an obligation to do so, return any funds transferred or cheque received from a third party, back to the account from which it was transferred.

Direct FX Trading will not accept any liability or responsibility for any losses that you may suffer as a result of, or arising out of, or in connection with, us returning any transfer of moneys or cheque from a third party, including any losses incurred by you because you are subsequently in default of your obligations under the Account Application Terms & Conditions.

CONFIRMATIONS OF TRANSACTIONS

The confirmation of your transactions, as required by the Corporations Act, may be obtained by accessing the daily statement online, which you can print. Once you have entered an order into the online trading platform, the system may report the main features of your transaction in a “pop-up” window. This is a preliminary notification for your convenience and is not designed to be a Confirmation as required by the Corporations Act.

If you provided Direct FX Trading with an e-mail or other electronic address, you consent to Confirmations being sent electronically, including by way of the information posted to your Account in the online trading platform. It is your obligation to review the Confirmation immediately to ensure its accuracy and to report any discrepancies within 48 hours.

CLIENT MONIES

Direct FX Trading maintains and applies a clear policy in relation to the use of client money. **Please be aware** that any money deposited into your trading account is deposited with other client moneys in our segregated client account and co-mingled with other client deposits. This money is applied to client or settlement obligations to pay for agreed fees, margins and other costs as required under the Corporations Act.
You should be aware that, for client accounts Direct FX Trading is permitted by law to use client moneys in the account to meet obligations incurred by Direct FX Trading in connection with margining, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives (not just these Margin FX and CFDs) by Direct FX Trading, including dealings on behalf of people other than the client whose moneys were deposited into the account.

Monies deposited into your trading account to meet margins, deposits, fees, transactions settlement, or other costs may be forwarded (if applicable) to our licensed third party clearing and execution providers, and applied against your margin, exchange, fee and settlement obligations.

Client monies held for future transactions will be kept in the segregated client account as required by the Corporations Act. Although funds are kept in a segregated account you may not be afforded absolute protection.

Direct FX Trading enters into arrangements with third party execution and clearing providers to facilitate transactions and settlements and uses monies received for Margin Calls and settlements for this purposes. Clients need to be aware that they are indirectly exposed to the financial risks of these counterparties and other organizations Direct FX Trading hold client monies with.

If Direct FX Trading or our counterparties financial condition deteriorates then this places at risk the ability to return client monies and you may suffer unrecoverable losses.

As client funds are co-mingled with funds from other clients in the segregated client account there is a likelihood that your funds may be used to cover payment obligations of other clients and you may suffer losses due to defaults by other clients. In the event of our insolvency your entitlements as a creditor will rank equally with all other clients

Direct FX Trading does not accept payments from or make payments to any third parties. In accordance with Australian anti- money laundering regulations, Direct FX Trading reports, where necessary, any suspect transactions to AUSTRAC.

Direct FX Trading is entitled to retain all interest earned on client moneys held in segregated accounts with a bank or approved deposit-taking institution. The rate of interest earned by Direct FX Trading on this account is determined by the provider of the deposit facility.

1 COUNTERPARTY RISK – HEDGING

Direct FX Trading maintains a written policy to manage its exposure to market risk from clients open positions. This includes a risk management and compliance system in place to manage (hedge) our trading exposure and assessing any new and current hedge counterparties.

Given that you are dealing with Direct FX Trading as counterparty to every transaction, you will have an exposure to us in relation to each transaction. This is common to all OTC financial market products. You are reliant on Direct FX Trading's ability to meet its counterparty obligations to you to settle the relevant contract. Direct FX Trading may choose to limit this exposure by entering into opposite transactions as principal in the wholesale market in relation to its exposures with clients. In addition, Direct FX Trading must comply with the financial requirements imposed under its AFS Licence.

With respect to FX Contracts, the hedging counterparty is reliant on the performance of counterparties ("liquidity providers") with which it offsets its exposure. An assessment of the hedge counterparty takes into account the risks involved when dealing with them, and ensures that the hedge counterparty is of creditable financial standing, licensed by a comparable regulator, and are of sound reputation. The hedging counterparty will use only liquidity providers which are substantial banks or substantial counterparties. Direct FX Trading does take on the risk that our counterparties may become insolvent or fail to meet their obligations to Direct FX Trading.

Direct FX Trading deals with the most respected institutions in the industry as liquidity providers to limit the counterparty risks. Currently our liquidity providers are Goldman Sachs, Morgan Stanley, HSBC, Commerzbank, Credit Suisse, Lucid, UBS AG, Barclays, Citibank, JP Morgan, and Deutsche Bank. Our Providers may change on a regular basis.

It is possible that Direct FX Trading's hedging counterparty may become insolvent or it is possible that other clients of the hedge counterparty may cause a default which reduces the financial resources or capacity for the hedge counterparty to perform its obligations owed to Direct FX Trading under the hedge contracts.

If Direct FX Trading defaults on its obligations, investors may become unsecured creditors in an administration or liquidation and will not have recourse to any underlying assets in the event of Direct FX Trading's insolvency.

It is therefore possible that Direct FX Trading might not fully recover from its hedge counterparty due to reasons not arising from your own positions, or it may incur costs in seeking the recovery or choose to terminate recovery efforts early, thereby reducing the proceeds available to Direct FX Trading to allocate in its discretion to you under the contract issued to you. It is important to understand that you have no rights or beneficial interest in any contract which Direct FX Trading has with its hedge counterparty and you cannot force Direct FX Trading to make any decision about seeking recovery against its hedge counterparty. You are dependent on Direct FX Trading taking that action to seek recovery and how it pursues that action, although Direct FX Trading would act honestly, fairly and efficiently in deciding if and how to pursue that recovery action.

2 COUNTER PARTY RISK - FINANCIAL RESOURCES

Direct FX Trading maintains and applies a written policy to ensure the ongoing maintenance of adequate financial resources. We further maintain a detailed Risk Register, in which key risks of our business are identified, reviewed and controls implemented.

Steps taken on a daily basis to ensure Direct FX Trading's financial requirements are maintained include, but are not limited to, monthly monitoring of adjusted surplus liquid funds calculation, conducting a daily client cash segregation calculation and transferring money owed to clients to segregated client accounts if needed.

The credit risk which you have on Direct FX Trading depends on its solvency generally as well as on the amount (and kind) of its capitalisation, its cash flow, all of its business risks, its client and financial product concentration risks, its counterparty risks for all of its business and transactions, its risk management systems and actual implementation of that risk management.

Your credit risk will fluctuate throughout the day and from day to day, including due to the implied credit risk on hedging counterparties, whose credit risk to Direct FX Trading (and so indirectly to you) cannot be assessed or verified on a continuous basis or perhaps at all.

We have a designated Compliance Officer whose role is to monitor our compliance in relation to our licence conditions, Corporations Act and ASIC RG 166 obligations who reports to our Responsible Manager.

We receive input and reviews from our external accountants and legal providers, our accounts are independently audited at the end of the financial year.

To allow you to assess the credit risk of the product please request in writing a free copy of our audited accounts.

Direct FX Trading conducts stress tests for adverse movements in market conditions of between 5% and 10% of total client equity.

3 SUSPENDED OR HALTED UNDERLYING ASSETS

Direct FX Trading meets this benchmark as we do not permit the opening of any new positions where there is trading halt over the underlying asset or trading in the underlying asset has been suspended on the relevant Exchange upon which the underlying asset is listed. Clients need to be assured that the currency and commodity products they trade with Direct FX Trading are not traded on any central exchange, thus the trading will not be halted nor suspended.

You will not be able to enter into any new transactions where there is a trading halt or suspension in the underlying asset.

If trading in the underlying asset is suspended or halted by the relevant Exchange (or the relevant index is suspended), the position, where possible, will be valued by Direct FX Trading for your account.

Foreign exchange markets trade continuously. They open at 05:00pm American EST Sunday evening (Monday morning NZ time) and close at 05:00pm, American EST on Friday (Saturday morning NZ time). They are open 24 hours during this period. Prices are continuously streamed during this period. Because foreign exchange is not an exchange-traded product, it is not possible to suspend or half the streaming of these prices.

4 MARGIN CALLS

Direct FX Trading meets this benchmark as we have a written policy that outlines how we margin our clients. There are 2 types of margin calls.

- Initial Margin. This is the initial deposit required by Direct FX to cover our risk and will be used to meet the clients obligation before opening a new position
- Variation Margin. This is the margin that has to be met by the client should there be adverse market movements. If the client wishes to keep the position open, then the variation margin call MUST be met to avoid Direct FX from exercising its right to close the open position.

Direct FX Trading monitors all open positions of its clients on mark to market basis. In case of adverse movements in the markets that cause a loss to a client, the client will be notified to fund the account by phone, email or text message to the client. Our MT4 platform sends electronic notification to all clients who trade on it.

120 % or less Direct FX Trading's first warning is sent to notify clients that they are getting close to automatic trade liquidation. At this point a client is requested to deposit additional funds into their account or instructed to reduce/close out current open positions. Clients are also warned that if their account reaches an Account balance below 80% below their positions may be liquidated without further reference to the client.

Liquidation

A margin call will always be sent before we close any positions 80% current margin level, all current open positions are cut automatically without bias. This means that no matter when the trade was initiated or if it is in a profit or loss position it will be terminated. At this stage no further automated notifications SMSs are sent out or phone calls made to clients informing them that their positions have been cut.

RATES, FEES AND COSTS

The calculation of the price to be paid (or the payout to be received) for Margin FX Contracts or CFD products offered by Direct FX Trading, at the time the contract is purchased or sold, will be based on our best estimate of market prices and the expected level of interest rates, implied volatilities and other market conditions during the life of the financial contract and is based on a complex arithmetic calculation.

The calculation will include a spread in favour of Direct FX Trading. The contract prices (or the payout amounts) offered to clients hedging, trading or speculating on market prices may differ from prices available in the primary or underlying markets where contracts are traded. This is due to the spread favouring Direct FX Trading in the price calculation. We act as a market maker and not a broker and make our earnings from the spreads that are embedded in the currency rates. Different spreads are used depending on the currency pair traded.

Direct FX Trading earns its income from the business spread (or margin) that we apply to our Margin FX Contracts and CFD products. This is the difference between the rate at which we buy and sell the financial instruments (i.e. between the wholesale price achieved by Direct FX Trading and your trade price). This spread is incorporated into the rates quoted to you and is not an additional charge or fee payable by you. These spreads will differ depending on the currency pairs traded or value of the CFD's underlying asset. Accordingly, the decision to transact at a particular rate will always be your decision. However, once you agree to a particular exchange rate that is the total amount payable by you to Direct FX Trading. By using or continuing to use our services, you agree that all fees and charges received by Direct FX Trading as described in this PDS and the FSG (other than third party fees and charges) are a benefit given to us by you, in exchange for the market making and dealing services provided by Direct FX Trading. Direct FX Trading do not charge volume-based or asset-based fees for any advice we provide. You understand, consent to, authorize and direct us to charge you in this way

Direct FX Trading does not provide a market amongst or between clients for investments or speculations. As stated above, each product purchased (or sold) by you is an individual agreement made between you and Direct FX Trading as principal and is not transferable, negotiable or assignable to or with any third party.

Fees must be paid to us immediately upon execution of the trade, and will be deducted from your account in accordance with the Application Terms & Conditions.

Direct FX Trading does reserve the right to charge the following fees:
- Telegraphic transfer fees (in the base currency): A$40
- Telegraphic transfer fees (in the international base currency): A$40
- Stop-Payment cheque fees: A$25

- Telephonic transfer fees (when the electronic order system is operational, fee is waived when non-operational): A$5

FINANCING CHARGES

In the event of you holding a Margin FX Contract or CFD position overnight you may be paid or have to pay interest depending upon your position.

For example if you are ‘long’ a foreign exchange contract overnight you may receive an interest payment whereas if you are ‘short’ a foreign exchange contract overnight you will be charged interest.

If you are ‘long’ an index CFD overnight you will be charged interest whereas if you are ‘short’ an index CFD overnight you may be paid interest.

Interest calculations are based on the total notional value of your open position, and are calculated at LIBOR (London Interbank Offer Rate)or LIBID (London Interbank Bid Rate) plus or minus a margin. Interest is calculated daily and posted to your account at the end of each day. Interest calculations are based on the total notional value of your open position, and are calculated as set out below using either LIBOR or LIBID plus or minus a margin. Interest is calculated on a daily basis and debited from or credited to your account at the end of each business daily.

The LIBOR and LIBID rates change frequently and are the most widely used benchmark or reference rate for short term interest rates worldwide. LIBOR is calculated daily by the British Bankers Association and published on their website with a 1 week rolling delay.

The amount of interest paid/received by Direct FX Trading will vary each day, depending upon factors such as changes to holdings within your portfolio and/or changes to LIBOR or LIBID and changes to the price of the underlying currency or asset upon which the Margin FX Contract or CFD is based,

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

DISCLOSURE OF INTERESTS

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

In particular, Direct FX Trading is a market maker, not a broker, and accordingly will always act as principal for its own benefit in respect of all Margin FX Contracts or CFDs with you. Direct FX Trading may conduct transactions to hedge its liability to you in respect to your positions by undertaking transactions in the underlying currencies or commodities. Such trading activities may impact (positively or negatively) the prices at which you may trade Margin FX Contracts or CFD products.

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

PRIVACY POLICY

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

DISPUTE RESOLUTION

Direct FX Trading has an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. Any complaints or concerns should be directed to the Complaints Officer (by telephone, facsimile, or letter) at the address and telephone/fax numbers provided in this PDS.

We will provide acknowledgement of receipt of written complaints within 5 business days, and seek to resolve and respond to complaints within 30 business days of receipt. We will investigate your complaint, and provide you with our decision, and the reasons on which it is based, in writing.

If you are dissatisfied with the outcome, you have the right to lodge a complaint with the Financial Ombudsman Service ("FOS"), an approved external dispute resolution scheme, of which Direct FX Trading is a member.

FOS can be contacted using the details below:

Postal address:
GPO Box 3
Melbourne VIC 3001
Australia

Telephone: +61 3 9613 7366
Fax: +61 3 9613 6399
Website:www.fos.org.au

COOLING-OFF ARRANGEMENTS

There are no cooling-off arrangements for the Margin FX Contracts or CFDs offered by Direct FX Trading. This means that when you enter a transaction with Direct FX Trading you do not have a right to return the product and you do not have the right to request Direct FX Trading to repay the money you have paid to acquire the product. Should you change your mind after entering into a transaction with Direct FX Trading, you should close out your position by entering into an offsetting and opposite transaction.

ETHICAL CONSIDERATIONS

Transactions made for your Account do not have an investment component. Labour standards or environmental, social or ethical considerations are not taken into account by Direct FX Trading when making, holding, varying or ending transactions.

TRADING HOURS

Direct FX Trading provides trading facilities via its Trading Platform from Sunday at 5.00pm New York time (Monday morning Sydney time) to Friday at 5.00pm New York time (Saturday morning Sydney time). In the event that the Trading Platform is unavailable due to a systems disruption, then the services will be provided by us via the telephone.

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

ABOUT OUR PRODUCTS

Direct FX Trading will act as Principal on each transaction agreed and entered into between you and Direct FX Trading, regardless of the product. Direct FX Trading regularly states the price at which it is prepared to deal with you, and thereby make a market for the product.

When you prepare to purchase products offered by Direct FX Trading, you should be aware of the risks and benefits associated with the products. The risks are spelled out in the sections below discussing each product. Examples that demonstrate how the products work and that illustrate the risks and benefits of the products are contained in this PDS.

DIRECT FX TRADING INSURANCE

Direct FX Trading is covered by compensation arrangements which satisfy the requirements of section 912B of the Corporations Act. Subject to its terms and conditions, these arrangements cover certain clients for loss or damage suffered as a result of breaches of the relevant obligations of Direct FX Trading, its employees and representatives in relation to its AFSL.

Subject to its terms and conditions, the compensation arrangements also cover certain breaches by the employees and representatives of Direct FX Trading at the relevant time.
If the insurance policy is insufficient or the insurer fails to performance obligations, Direct FX Trading may not be able to make the payments it owes to you.

CONTRACTS FOR DIFFERENCE ("CFDs")

What is a Contract for Difference?

A Contract for Difference ("CFD") is a contract whereby you make a profit or take a loss from market price changes in the underlying asset. However, you do not own or have any interest in the underlying asset. A CFD is a derivative asset in that the value of the CFD is derived from the value of the underlying asset. A CFD allows you to receive many of the benefits of owning the underlying asset without actually owning it.

Direct FX Trading offers CFD products on commodities such as gold, silver and crude oil. Direct FX Trading may offer additional CFD products based on other commodities or market indices in the future. If Direct FX Trading offers such additional products, we may amend this PDS and FSG or we may notify customers electronically, on our website, or otherwise, as required by regulatory bodies.

A CFD is an agreement between Direct FX Trading and you to trade the difference in changes in the price or value of an underlying asset. CFDs have no fixed size or expiration dates. When you enter into a CFD, you will be paid the amount of money (profit) or be required to pay the amount of money (loss) arising from the change in value of the underlying asset.

Trading a CFD does not mean that you are the owner of the underlying asset. Understand that you have none of the rights to the underlying asset that an owner would have.

CFDs can be traded only during the operating hours for the market upon which that underlying asset is traded.

What is an OTC Contract?

Unlike financial products traded on an exchange, CFDs are Over-the-Counter (OTC) contracts which are not standardised but are individually tailored to the particular requirements of the parties involved in the contract—in this case, you and Direct FX Trading— but subject to minimum contract values.

The terms involved in the negotiation of the contract (or transaction) are:

1. the underlying assets to be traded;
2. the amount of such assets;
3. the maturity date of the contract; and,
4. the price at which the asset is to be traded.

How Are Orders Executed and Confirmed?

Prior to entering into a transaction, you must open an account with us and deposit a minimum of $250.

When you propose to enter into a transaction, you will access the MetaTrader 4 Trading Platform ("Trading Platform") and determine which CFD product you wish to trade and consider the prices being quoted by us. Should you decide to accept our price you will follow the steps on the Trading Platform. You must have sufficient money in your account to meet the relevant Initial Margin for the proposed transaction.

What Margin is Required?

Each CFD product requires you to pay an Initial Margin. In addition, you may also be required to pay (or be entitled to receive from Direct FX Trading) Variation Margin, which is the unrealised loss or profit on your open CFD position.

What is the Initial Margin?

The Initial Margin is the up-front deposit you are required to provide to Direct FX Trading when you enter into a transaction with us and which must be maintained throughout the term of the relevant transaction. The amount of the Initial Margin applicable to each transaction is determined by Direct FX Trading in its sole discretion and current levels for each CFD product are available on www.directfx.com. It is typically 2% to 5% of the transaction value but may be as high as 100% depending on the volatility of the relevant underlying market and the liquidity of the underlying asset. Direct FX Trading may vary the Initial Margin rate at any time in its sole discretion.

Adjustment of Differences/Variation Margin

In addition to your Initial Margin, you may have to pay an additional margin, called Variation Margin. Open positions are accounted for in real time on a mark -to-market basis to account for any market movements and to determine the current value of the CFD on which the underlying asset is normally quoted. Based on this determination, your account will either be debited in relation to any unrealised losses or credited in relation to any unrealised profits.

If you hold a long (or bought) position and the current value increases, Direct FX Trading will credit an amount equal to the increase in value. If the current value decreases, Direct FX Trading will debit you an amount equal to the decrease in value.

If you hold a short (or sold) position and the current value increases, you will be debited an amount equal to the increase in value to Direct FX Trading. If the current value decreases Direct FX Trading will credit your account with an amount equal to the decrease in value.

These amounts owing by you to us in order to "top up" the Initial Margin are what is known as the Variation Margin.

How are profits and losses on CFDs calculated?

The amount of any profit or loss made on the CFD will be calculated by reference to the difference between the price or value of the CFD's underlying asset when the CFD is opened and the price or value of the CFD's underlying asset when the CFD is closed out, multiplied by the number of the CFDs held. The calculation of profit or loss is also affected by funding charges and any other charges.

What Happens if the Market is Adverse?

Where Clients experience adverse market movements against their open positions, they can close out the open position, top up the account, or wait for Direct FX Trading to automatically close out or force liquidate the trade. Direct FX Trading has a "no negative balance policy" which is intended to ensure that your position is closed out before the value of a trade declines below the required Margin to hold the position. Direct FX Trading enables you to manage both adverse and favourable movement by using Stop Loss Order and Stop Limit Orders as part of their risk-management strategy.

Stop Limit Order

A **stop limit order** is a particular kind of stop loss order. A stop limit order means that the Order will not get filled at all below the limit of the Order. This means that if the new or opening price gaps beyond your stop limit order, your Order will not be filled at all.

Stop Loss Order

You would generally choose to place a stop- loss order to provide some risk protection. For example, if your open position moves towards making a loss based on a level chosen by you, the stop-loss order would be triggered in order to try to close your open position or to open a position, depending on the CFD Transaction you have.

These orders work in very similar ways as the limit order, except in the opposite direction. These orders are seldom used to enter a trade, and some brokers do not have this feature but Direct FX Trading does. Most stop orders are used to exit an existing trade.

Why Would I Invest Using CFDs?

CFDs are generally used for one of two purposes – hedging or speculating. CFDs can provide those who deal in the underlying asset with a tool for managing the risks associated with changing prices for those investments. This strategy is known as hedging. CFDs are also traded by speculators, who trade in the anticipation of profiting purely from changing prices in the underlying asset.

Generally, trading CFDs allows you to leverage your positions to take a much greater exposure than if you were to purchase the underlying asset. **Trading in CFDs does, however, involve significant risk**. Traders and investors must understand the nature of the risks inherent in such transactions prior to entering into these transactions.

Significant Risks of CFD Products Explained

You should be aware that trading in the CFD products offered by Direct FX Trading involves risks. It is important that you carefully consider whether trading our products is appropriate for you in light of your investment objectives, financial situation and needs.

Substantial or Total Losses – Despite trying to close out open positions, your loss on a transaction could be very substantial, or even total. If the price or value of the underlying asset moves against your CFD position, you will be required to "top up" your account with sufficient funds to maintain your position. The amount required may be substantial. If you fail to maintain the required account balance, your position may be closed out by Direct FX Trading.

Market Risk – There is a risk that the value of your CFD position will change as a result of a movement in the underlying market price. You will suffer a loss if the price of the underlying asset moves unfavourably. Prices of assets (from which the value of the CFD is derived) depend on a number of factors including for example, interest rates, supply and demand, and even the actions of governments. This will directly affect the CFD value. Given the potential levels of volatility in the markets, it is recommended that you closely monitor your open positions at all times.

Prices – Under certain market conditions the prices of contracts may not maintain their usual relationship with the underlying asset. Direct FX Trading will select closing prices to be used in determining Margin requirements and in marking to market the positions in your account. Prices used may vary from those available to other participants in the market, and consequently Direct FX Trading may exercise considerable discretion in setting Margin requirements.

Unregulated Market – The CFD products offered by Direct FX Trading are OTC derivatives and are not covered by the protections for exchange-traded derivatives arising from any domestic or international exchange rules (such as guarantee or compensation funds). Contingent- liability transactions which are not traded on or under the rules of a regulated or designated exchange may expose you to substantially greater risks.

Credit or Counterparty Risk – Given that you are dealing with Direct FX Trading as counterparty to every transaction, you will have an exposure to us in relation to each transaction. This is common to all OTC financial market products. You are reliant on Direct FX Trading's ability to meet its counterparty obligations to you to settle the relevant contract. Direct FX Trading may choose to limit this exposure by entering into opposite transactions as principal in the wholesale market in relation to its exposures with clients. In addition, Direct FX Trading must comply with the financial requirements imposed under its AFS Licence.

Our powers on default, indemnities and limitations on liability – If you fail to pay, or provide collateral for, amounts payable to Direct FX Trading or fail to perform any obligation under your transactions, Direct FX Trading has extensive powers under the Account Terms & Conditions with you to take steps to protect our position including, for example, the power to Close Out positions and to charge default interest. Under the Account Terms & Conditions you also indemnify Direct FX Trading for certain losses and liabilities, including, for example, in default scenarios.

Further, Direct FX Trading's liability to you is expressly limited (to the extent permitted by law) to performing its obligations. You should read the Account Terms s& Conditions carefully to understand these matters.

Leverage – The CFD products offered by Direct FX Trading carry a substantial leverage risk. The high degree of leverage that is obtainable in trading the CFD products offered by Direct FX Trading because of the small Margin requirements can lead to large losses as well as large gains. The impact of leverage is that even a slight fluctuation in the market could mean substantial gains when these fluctuations are in your favour, but that could also mean considerable losses if the fluctuations are to your detriment. Trading in the CFD products offered by Direct FX Trading may result in the total loss of the amount you deposited with Direct FX Trading. Given the possibility of losing an entire investment speculation in CFDs should be conducted only with risk capital that, if lost, will not significantly affect your financial stability.

Volatility – Under certain conditions, it may become difficult or impossible for you to close out a position. This can happen when there is a rapid change in the price or value of the underlying asset over a short period of time. This may result in large losses, however your loss is generally limited to the net amount deposited with Direct FX Trading to establish or maintain a contract, as Direct FX Trading maintains a "no negative balance policy"

Electronic Trading Platforms – You should be aware that there are a number of risks associated with using internet -based trading platforms. These risks are not exclusive to our MetaTrader 4 Trading Platform ("Trading Platform") but also apply to other providers of trading platforms. Such risks include, but are not limited to, risks related to the use of software and/or telecommunications systems such as software errors and viruses, bugs, delays in telecommunications systems, connection or system failures, network downtime, interrupted service, data supply errors, and security breaches. A disruption to the MetaTrader 4 Trading Platform could mean you are unable to trade in a CFD product offered by Direct FX Trading and that you may suffer a financial loss or an opportunity loss as a result. The occurrence of disruptive events is outside the control of Direct FX Trading and, accordingly, you will have no recourse against Direct FX Trading relating to losses sustained as a result of software disruptions.

Use and Access to the Website – You are responsible for providing and maintaining the means by which you access the MetaTrader 4 Trading Platform, which may include without limitation a personal computer, modem and telephone or other access line. While the internet and the world wide web are generally reliable, technical problems or other conditions may delay or prevent access. If you are unable to access the Internet and thus, the Trading Platform, it will mean you may be unable to trade in the CFD product offered by Direct FX Trading and you may suffer a loss as a result. Direct FX Trading cannot be held responsible for losses resulting from such service disruptions.

Furthermore, in unforeseen and extreme market situations, Direct FX Trading reserves the right to suspend the operation of the Trading Platform. In such an event, Direct FX Trading may, at its sole discretion (with or without notice), close out your open positions at prices or values it considers fair and reasonable at such a time and is not responsible for any loss that arises from such actions.

When Markets are Closed – Due to the dynamic nature of our CFD products and the underlying assets, it is possible that the value of your open positions will change outside trading hours, while the trading function of our Trading Platform is closed, and various markets may be closed, for example during weekends. In this case, you will not be able to trade in a CFD product offered by Direct FX Trading (e.g. open a new transaction or close out an open transaction) until trading hours resume and the trading function of the Trading Platform and the relevant market re-opens. You may suffer a financial loss or opportunity loss as a result.

Regulatory Risk – Changes in laws or regulations occur and may have a negative impact on your investment with Direct FX Trading.

Client Moneys Trust Account – Moneys held on deposit with us can be held separately from our firm capital, in a trust account, and dealt with in accordance to the customer agreement and the governing legislation. As permitted by Government Legislation your monies can be co-mingled into a trust account or accounts, with other customer moneys, which are also held in trust.

For so long as your moneys are held in the trust account, you have the risk that the moneys may be withdrawn and not be re-paid to you because the moneys may be used for purposes other than in respect of your CFD namely:

- the risk of being withdrawn and not being re-paid to you because Direct FX Trading may use the moneys to pay itself for its hedge of your CFD; and
- the risk of being withdrawn and not being re-paid to you because Direct FX Trading may use the moneys in the trust account to meet obligations incurred by Direct FX Trading in connection with margining, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives (not just CFDs) by Direct FX Trading, including dealings on behalf of people other than the client whose moneys were placed into the trust account.

Margin risk –You could sustain a loss, greater than and not limited to, an initial Margin that you have paid to us to establish or maintain a CFD. If the Reference Security's value moves against your CFD position, you are responsible for monitoring and meeting the Margin cover requirements.
If you fail to provide those additional funds within the required time, your entire position may be liquidated at a loss and you will be liable for any shortfall in your Account resulting from that failure.
If a position is Closed Out, all of it may be closed not just a proportion of it.
There is no limit on the amount of Margin which may be called in order to meet a revised valuation of your transaction.

GENERAL RISKS – Direct FX Trading strongly recommends that, if you are not fully familiar with CFDs, you obtain independent legal, financial and taxation advice before proceeding with a transaction. Further, Direct FX Trading recommends that you should consider the following:

- It is your responsibility to understand the nature and risks associated with each transaction.
- In entering into any transaction, neither Direct FX Trading nor any of its representatives will advise you, or is to be taken as advising you, as to any strategy, risk profile or financial result.
- CFD trading is highly speculative and volatile. There is no guarantee or assurance that you will make profits, or not make losses, or that unrealised profits or losses will remain unchanged.
- Past performance of markets, and currencies in particular, is never an assurance of future performance.
- The value of your Account may fluctuate according to exchange rates and interest rates, as well as other market conditions which are outside of your control and which cannot be forecast.
- Trading with Direct FX Trading may give rise to actual or potential conflicts of interests, because Direct FX Trading is acting as principal in its CFD transactions with you and also because it may be transacting with other persons, at different prices or rates, or Direct FX Trading will be trading with banks and other market participants. The policy used by Direct FX Trading is that as principal it issues the CFD to you based on the price it gives you, not by acting as broker to you.

- Information about prices or rates may come from several sources and may not be current at the time given to you. Direct FX Trading does not take responsibility for information about rates or other financial market data or statements and Direct FX Trading relies on your acknowledgment that you do not rely on any such information given to you or discussed with you. Direct FX Trading only undertakes to perform the transaction agreed with you at the price or rate for that transaction, and not at any other price or rate available in the market.
- The CFDs are valued by Direct FX Trading. Typically this is by direct reference to the market value (or, if relevant, index level) of the relevant Reference Security on the relevant Exchange. If the Exchange fails to provide that information (for example, due to a failure in the Exchange's trading system or data information service) or trading in the Reference Security is halted or suspend, Direct FX Trading may exercise its discretion to determine a value. Due to the nature of CFDs, in common with industry practice for such financial products, Direct FX Trading's discretion is unfettered and so has no condition or qualification. You therefore have the risk of relying on whatever value is determined by Direct FX Trading in the circumstances permitted by the Account Terms & Conditionss.

How is the CFD Value Calculated?

The calculation of the price to be paid (or the payout to be received) for CFD products offered by Direct FX Trading at the time the product is purchased or sold will be the same as the price Direct FX Trading is quoted from its hedging counterparty. Price quotes are based on, and with reference to, the underlying futures contract on which the CFD product is based.

Direct FX Trading cannot predict future market prices of underlying assets and our quotations are not a forecast of what we believe an underlying asset's value will be at a future date. The decision to transact at a particular rate will always be your decision.

CFD Trade Examples - Simple CFD calculations

Trading CFDs is like trading shares except you need a small amount of money up front to control the whole position. When trading CFD's you have the same rights to a share (in terms of dividends and stock split) but you do not have ownership of the share

The CFD trade examples below are to try and enable you to go on to the business of trading CFDs.

The one stand out feature you'll find in the CFD trade examples below is that the percentage of profit and loss you can incur compared to your overall capital outlay are much higher than those when trading the actual share, thus creating higher risk.

CFD Trade Examples:

- Long CFD trade showing a profit
- Long CFD trade showing a loss
- Short Sell CFD trade showing a profit
- Short Sell CFD trade showing a loss.

Long CFD trade (profit) – CFD trade example 1

Purchase 1,000 BHP shares at $10.00

Action	**How to calculate**	**Result**
Total Exposure	1,000 CFDs @ $10.00	$10,000
Initial Margin	$10,000 * 5%	$500

Brokerage	Total exposure * 0.1% or $10	$10
Total Outlay	Initial margin + brokerage	$510

BHP rises over a 5 day period to $10.50 and you lock in profits via a limit to sell profit target)

Action	How to calculate	Result
Sell price	$10.50 * 1,000	$10,500
Brokerage	$10,500 * 0.1%	$10.50
CFD Finance	Total Exposure * (RBA + 2%)/365) 10,000*(7.25%+2%)/365) 5 days	Approx $2.53 per day Approx $12.67 for 5 days (debit)

Calculating a CFD Profit/Loss

Action	How to calculate	Result
CFD Profit	(number of shares*(exit-entry) – trading costs	
	(1,000 * ($10.50 – $10.00 (profit) - $20.50 (brokerage) - $12.67 CFD Finance	
	CFD Nett Profit/Loss	**Profit $466.83**
Return on Investment	**(Nett Profit or Loss / Margin) * 100**	**91.54%**

Long CFD trade (loss) – CFD trade example 2

Purchase 1,000 BHP shares at $10.00

Action	How to calculate	Result
Total Exposure	1,000 CFDs @ $10.00	$10,000
Initial Margin	$10,000 * 5%	$500
Brokerage	Total exposure * 0.1% or $10	$10
Total Outlay	Initial margin + brokerage	$510

BHP falls over a 5 day period to $9.70 and your **Stop Loss Order** gets hit.

Action	How to calculate	Result
Sell price	$9.70 * 1,000	$9,700
Brokerage	$9,700 * 0.1%	$9.70

CFD Finance	Total Exposure * (RBA + 2%)/365) 10,000*(7.25%+2%)/365) 5 days	Approx $2.53 per day Approx $12.67 for 5 days (debit)

Calculating a CFD Profit/Loss

Action	**How to calculate**	**Result**
CFD Profit	(number of shares*(exit-entry) – trading costs	
	(1,000 * ($9.70 – $10.00 (loss) - $19.70 (brokerage) - $12.67 CFD Finance	
	CFD Nett Profit/Loss	**Loss $332.37**
Return on Investment	**(Nett Profit or Loss / Margin) * 100**	**-66.47%**

Short Sell CFD trade (profit) – CFD trade example 3

Short Sell 1,000 BHP shares at $10.00 – Looking to profit from a falling share price

Action	**How to calculate**	**Result**
Total Exposure	1,000 CFDs @ $10.00	$10,000
Initial Margin	$10,000 * 5%	$500
Brokerage	Total exposure * 0.1% or $10	$10
Total Outlay	Initial margin + brokerage	$510

BHP Drops (Falls in value) over a 5 day period to $9.50 and you lock in profits via a limit to buy profit target)

Action	**How to calculate**	**Result**
Sell price	$9.50 * 1,000	$9,500
Brokerage	$9,500 * 0.1%	$9.50
CFD finance	Total Exposure * (RBA - 2%)/365) 10,000*(7.25%-2%)/365) 5 days	Approx $1.44 per day Approx $7.20 for 5 days (credit)

Calculating a CFD Profit/Loss

Action	**How to calculate**	**Result**
CFD Profit	(number of shares*(entry-exit) – trading costs	

	(1,000 * ($10.00 – $9.50 (profit) - $19.50 (brokerage) - $7.20 CFD Finance	
	CFD Nett Profit/Loss	**Profit $473.30**
Return on Investment	**(Nett Profit or Loss / Margin) * 100**	**94.66%**

Short Sell CFD trade (Loss) – CFD trade example 4

Short Sell 1,000 BHP shares at $10.00 – Looking to profit from a falling share price

Action	How to calculate	Result
Total Exposure	1,000 CFDs @ $10.00	$10,000
Initial Margin	$10,000 * 5%	$500
Brokerage	Total exposure * 0.1% or $10	$10
Total Outlay	Initial margin + brokerage	$510

BHP rises over a 5 day period to $10.30 and your **Stop Loss Order** gets hit.

Action	How to calculate	Result
Sell price	$10.30 * 1,000	$10,300
Brokerage	$10.30 * 0.1%	$10.30
CFD Finance	Total Exposure * (RBA - 2%)/365) 10,000*(7.25%-2%)/365) 5 days	Approx $1.44 per day Approx $7.20 for 5 days (credit)

Calculating your CFD Profit/Loss

Action	How to calculate	Result
CFD Profit	(number of shares*(entry-exit) – trading costs	
	(1,000 * ($10.00 – $10.30 (profit) - $20.30 (brokerage) - $7.20 CFD Finance	
	CFD Nett Profit/Loss	**Loss $327.50**
Return on Investment	**(Nett Profit or Loss / Margin) * 100**	**-65.50%**

CFD brokerage is paid on the total exposure that you have. For instance in a $10,000 position you put in $500 which leaves a difference of $9,500. However, Direct FX Trading require brokerage to be paid on the full amount of $10,000.

CFD Finance is calculated daily based on your total exposure on that day. Markets fluctuate daily and as a result your financing amount will vary depending on how much your position is worth at close of business (usually New York 5pm) that day.

RBA Rate: Please note that the Reserve Bank of Australia (RBA) rate can and in fact does change regularly. The above calculations are examples ONLY and the rate does not reflect current rates.

MARGIN FX CONTRACTS

What is a Margin FX Contract ("Margin FX Contract")?

A Margin FX Contract is a product offered by Direct FX Trading based on the exchange of one currency for another. An exchange rate is the price of one currency in terms of another currency. For example, if the exchange rate for the Australian Dollar against the Japanese Yen is AUD 1/JPY 83, this means that one Australian Dollar is equal to, and can be exchanged for, 83 Japanese Yen.

A Margin FX Contract does not result in the physical delivery of the currency. The foreign exchange products offered by Direct FX Trading are closed out by either you or us (in certain circumstances, **See below "Important Features of Margin FX Contracts**") by taking an offsetting position. The profit or loss that results from the position being closed out will be credited to or debited from your account. If a transaction is held until the nominated maturity date, it will be cash adjusted or cash settled according to the closing price of the applicable currency, as quoted by us.

What is an OTC Contract?

Unlike foreign exchange contracts traded on an exchange, Margin FX Contracts are Over-the Counter (OTC) contracts which are not standardised but are individually tailored to the particular requirements of the parties involved in the contract—in this case, you and Direct FX Trading— but subject to minimum contract values.

The terms involved in the negotiation of the contract (or transaction) are:

1. the underlying assets to be traded;
2. the amount of such assets;
3. the maturity date of the contract; and
4. the price at which the asset is to be traded.

How do the Margin FX Contracts work?

A Margin FX Contract is a rolling spot foreign exchange contract between you and Direct FX Trading in relation to an agreed currency pair. When you propose to enter into any Margin FX Contract you will be asked to nominate an amount and the two currencies to be exchanged. In every Margin FX Contract there are two currencies as follows:

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

The fixed currency is called the "base" currency and the variable currency is called the "terms" currency. Together, these are known as the currency pair. The currencies involved in any Margin FX Contract must be currencies which are offered by Direct FX Trading. As at the date of this Combined FSG and PDS, Direct FX Trading offers 15 different currency pairs. To find out more about the different currency pairs Direct FX Trading offers, please view our website at www.directfx.com.

There is always a long (bought) and a short (sold) side to a trade, which means that you are speculating on the prospect of one of the currencies increasing in value and one of them decreasing in value. **The Margin FX Contracts offered by Direct FX Trading do not result in the physical delivery of the currency**. The Margin FX Contracts are closed out by either you or us by taking an offsetting position or are cash adjusted or cash settled at the maturity date.

What exchange rate will apply?

Direct FX Trading prices will be the same price at which it is offered by its counterparty, so all transactions where Direct FX Trading is the market maker will be entered into on a "matched book" basis or "back to back" basis.

Examples of How Margin FX Contracts are Quoted?

Example 1: Going Short and making a profit

You anticipate that the Australian Dollar is to fall against the US Dollar because of unfavourable economic data.

You sell 50,000 AUD at an AUD/USD rate of 1.0532.

Open Position

Quantity sold	$50,000 AUD
Price	$1.0532 US
Contract Value	$52,660 US
Initial Margin	$2,500[1] AUD
Commission/fees	Nil

The Australian Dollar weakens against the US Dollar and you close out your position @ 1.0500

Close Position

Quantity bought	$50,000 AUD
Price	$1.0500 US
Contract Value	$52,500 US
Commission/fees	Nil
Gross Profit	$160 US
Commission/fees (sold and bought)	Nil
Net Profit	**$1,270 US**

Example 2: Going Short and incurring a loss

You anticipate that the Australian Dollar is to fall against the US Dollar because of unfavourable economic data

You sell 50,000 AUD at an AUD/USD rate of 1.0532

Open Position

[1] This is based on a 5% Initial Margin of the Contract Value

Quantity sold	$50,000 AUD
Price	$1.0532 US
Contract Value	$52,660 US
Initial Margin	$2,500[2] AUD
Commission/fees	Nil

The economic data turns out to be favourable and the Australian Dollar strengthens against the US Dollar. You decide to close out your position @ 1.0550

Close Position

Quantity bought	$50,000 AUD
Price	$1.0550 US
Contract Value	$52,750 US
Commission/fees	Nil
Gross Loss	$90 US
Commission/fees (sold and bought)	Nil
Net Loss	**$90 US**

Example 3: Going Long and making a profit

You anticipate the Australian Dollar to increase against the US dollar because of favourable economic data.

You buy 50,000 AUD at an AUD/USD rate of 1.0532

Open Position

Quantity bought	$50,000 AUD
Price	$1.0532 US
Contract Value	$52,660
Initial Margin	$2,500[3]
Commission/fees	Nil

The economic data turns out to be favourable and the Australian Dollar strengthens against the US Dollar. You decide to close out your position @ 1.0550

[2] This is based on a 5% Initial Margin of the Contract Value
[3] This is based on a 5% Initial Margin of the Contract Value

Close Position

Quantity sold	$50,000 AUD
Price	$1.0550
Contract Value	$52,750 US
Commission/fees	Nil
Gross Profit	$90 US
Commission/fees (sold and bought)	Nil
Net Profit	**$90 US**

Example 4: Going Long and incurring a loss

You anticipate the Australian Dollar to increase against the US Dollar because of favourable economic data. You buy 50,000 AUD at an AUD/USD rate of 1.0532

Open Position

Quantity bought	$50,000 AUD
Price	$1.0532 US
Contract Value	$52,660
Initial Margin	$2,500[4]
Commission/fees	Nil

Your anticipation proves to be incorrect and the Australian Dollar actually falls against the US Dollar. You close out your position at 1.0500

Close Position

Quantity sold	$50,000 AUD
Price	$1.0500
Contract Value	$52,500
Commission/fees	Nil
Gross Loss	$160 US

[4] This is based on a 5% Initial Margin of the Contract Value

Commission/fees (sold and bought)	Nil
Net Loss	**$160 US**

NOTES TO ALL EXAMPLES IN THIS PDS:

1. The above examples are to illustrate the impact of key variables on the outcome of a FX Transaction. They are not forecasts or projections of any particular FX Transaction.
2. These examples are not intended to be exhaustive and document every trading strategy.
3. The examples use simplifying assumptions by not taking into account a client's tax rate or overall tax position, potential changes in interest rates charged to or earned on the Account or the time value of money. While these variables will undoubtedly change the outcome of a FX Transaction, they are normal market variables which cannot now be predicted and so must be taken into consideration by a potential client in FX Transactions.
4. Margin requirements, interest rates and external charges may of course change at any time.

How Are Orders Executed and Confirmed?

Prior to entering into a transaction, you must open an account with us and deposit a minimum of $250.

When you propose to enter into a transaction, you will access the MetaTrader 4 Trading Platform ("Trading Platform") and determine which Margin FX Contract you wish to trade and consider the prices being quoted by us. Should you decide to accept our price you will follow the steps on the Trading Platform. You must have sufficient money in your account to meet the relevant initial margin for the proposed transaction.

What Margin is Required?

Each Margin FX Contract product requires you to pay an initial margin. In addition, you may also be required to pay (or be entitled to receive from Direct FX Trading) Variation Margin, which is the unrealised loss or profit on your open Margin FX Contract position.

What is the Initial Margin?

The Initial Margin is the up-front deposit you are required to provide to Direct FX Trading when you enter into a transaction with us and which must be maintained throughout the term of the relevant transaction. The amount of the Initial Margin applicable to each transaction is determined by Direct FX Trading in its sole discretion and current levels for each CFD product are available on www.directfx.com. It is typically 2% to 5% of the transaction value but may be as high as 100% depending on the volatility of the relevant underlying market and the liquidity of the underlying asset. Direct FX Trading may vary the Initial Margin rate at any time in its sole discretion.

Adjustment of Differences/Variation Margin

In addition to your Initial Margin, you may have to pay an additional margin, called Variation Margin. Open positions are accounted for in real time on a mark-to -market basis to account for any market movements and to determine the current value of the Margin FX Contract on which the underlying currency is normally quoted. Based on this determination, your account will either be debited in relation to any unrealised losses or credited in relation to any unrealised profits.

If you hold a long (or bought) position and the current value increases, Direct FX Trading will credit an amount equal to the increase in value. If the current value decreases, Direct FX Trading will debit you an amount equal to the decrease in value.

If you hold a short (or sold) position and the current value increases, you will be debited an amount equal to the increase in value to Direct FX Trading. If the current value decreases Direct FX Trading will credit your account with an amount equal to the decrease in value.

These amounts owing by you to us in order to "top up" the Initial Margin are what is known as the variation margin.

Margin Obligations To Direct FX

Margin is the amount that you must have in your Account to enter into CFD positions with Direct FX Trading. The level of Margin required to open and maintain a CFD is called the "Used Margin".

FX contracts and CFDs offered by Direct FX Trading will be subject to margin requirements and clients must deposit funds for security / margining purposes. Accordingly, you are responsible to meet all margin requirements required by Direct FX Trading. When you place a CFD or FX transaction and while that transaction remains open you need to have sufficient free margin in your account to satisfy the margin amount for the relevant number of FX Contracts or CFDs you hold. Margin requirements may vary between customers and Direct FX Trading reserves the right to change margin requirements on a per customer basis. Margin requirements can be changed for regulatory reasons, changes in your account size, currency pair or position traded, volatility, acts of God, or any unknown factors that Direct FX Trading may presume in the marketplace that could negatively impact its current margin risk assessment. Please note that an increased margin requirement may mean that you are required to transfer additional funds into your account before an order for a foreign exchange or CFD contract will be accepted by the Direct FX Trading platforms. Also, please note that the increased margin requirement may result in a margin call or possible liquidation.

Direct FX Trading currently offers two trading platforms Metatrader 4 and Liquidity Direct. The trading platforms will calculate in real time both the margin requirement and the remaining free margin in your account. For Metatrader 4 you can see the margin requirements and remaining free margin in the "Trade" section of the platform" under the columns "Margin" (Used Margin), and "Free Margin"(Usable Margin). For Liquidity Direct you can see these items stated in the "Exposure Blotter" window of the platform under the columns "Margin Used" (Used Margin), and "Free Margin"(Usable Margin). When trading on Metatrader 4 or Liquidity Direct, if the "Free Margin" column reaches zero, a Margin Call will be applied on the account, and all open positions will be triggered for liquidation.

Margin requirements can fluctuate from intraday, to overnight, to over the weekend. Examples of the calculation of the margin are listed below.

Your "Usable Margin" is the difference between:

Your Account Equity; and Any Used Margin set aside to fund open positions.

Usable Margin = Account Equity - Used Margin

Margin Calls

During the period your contract remains open with Direct FX Trading, you must maintain your Initial Margin Requirement. If your account is not properly margined, Direct FX Trading may Liquidate All Open Positions in the account without further notice, which may mean you will suffer losses.

If you open a CFD position with Initial Margin, and the position moves against you and your Free Margin falls to "0", your account will be placed on Margin Call and all positions will be triggered for liquidation or closing out by Direct FX Trading at the next available price. If the account equity falls below margin requirements, the MT4 or Liquidity Direct system for instance will trigger an order to close some or all of the open positions. If the Free Margin column reaches zero, the positions with the largest losses will typically be closed first in order to free up additional margin. In normal circumstances Direct FX Trading will endeavour to notify you of margin call by email when you are close to receiving a margin call. This email serves as a notice that your account has breached the minimum required level of funds and any open positions are at risk of being closed out. You are responsible for monitoring your own account and ensuring adequate funds are maintained at all times. We have no obligation to provide notification and this service is provided to you on a best endeavours basis. Direct FX Trading reserves the right to change accounting practices at any time and it also reserves the right to offer different accounting practices.

It is your responsibility to actively monitor and manage your open positions and your obligations, including ensuring that you meet your margin requirement and that your Free Margin exceeds “0”. It is also your responsibility to ensure you are aware of any changes in the margin requirements or when the Free Margin is approaching “0”. Direct FX is under no obligation to contact you in the event of any change to the margin requirement.

Direct FX Trading will attempt to notify you via email, but Direct FX Trading is under no obligation to notify you when:

1. your account becomes insufficiently margined, and/or
2. your account is close to liquidation.

Direct FX Trading can close your open positions and cancel all orders with or without giving you notice. You must ensure that you maintain an e-mail address at all times and keep us up to date and informed of your current email address. Direct FX Trading will not use any other means of communication to tell you when your account reaches these risk levels unless otherwise agreed upon.
You must monitor your account so that you know whether or not your Account is in risk of being Liquidated. All the information you need in order to make these calculations is available on our trading platforms MT4 and Liquidity Direct.

You may increase the amount of Free Margin available in your account by:
Closing out or reducing one or more of your open position(s) in order to reduce your Used Margin amount; and/or Depositing additional funds into your account. If you choose to deposit additional funds into your account, these additional funds must be cleared funds before they will be available. These steps may not be necessary if there is an increase in the value of your open positions due to a further market fluctuation.

For example: you opened a short (sell) position in a CFD, and the price of the CFD subsequently rose. As a result, your Free Margin available is close to reaching “0” and you decide to increase the Free Margin available by closing out your short position at a higher price (thereby reducing your Margin Requirement), and depending on the amount of Free Margin for the original short position, that amount would then be available for trading i.e. it is no longer required to fund an open position.

Direct FX Trading does not represent or warrant, or give any assurance that your open positions will be closed out at any particular level. Accordingly, your losses may be higher than what they would have been had Direct FX Trading exercised its right to place a liquidation order. Furthermore, you will be liable for all losses incurred, despite Direct Fx having had the right to close out your position at a time before you incurred those additional losses. Any such loss may result in you losing all moneys that you have deposited in your account with Direct FX Trading, but you will not be liable for debit balances in your account in excess of the moneys that you have deposited that is not directly resulting from trading activity.

While Direct FX Trading will endeavor to notify you when your account is close to receiving a margin call, it is nonetheless your responsibility to ensure that your Free Margin does not fall below the margin call liquidation trigger level of “0”, and to ensure that you do not rely on Direct FX to close out your positions should they be nearing, or exceed, the Margin Call level. You may do this by reviewing your account details on the Direct FX Trading Platforms with a view to monitoring your Free Margin, bearing in mind that any additional funds that you deposit into your account will not contribute towards your account equity balance until those funds become cleared funds. You may also contact our Support staff should you have any queries about your current margin requirement obligations.

Please note that MT4 users are subject to different margin call procedures. When a margin call is triggered on an MT4 account then individual positions will be liquidated until the remaining equity is sufficient to support existing position(s). In deciding what positions will be individually liquidated the largest losing position will be closed first during liquidation.

Financing of Forex Trades - Position Based
Each business day at 5:00 pm EST (9:00 am AEST), a debit or credit will be applied to your account to account for the interest payment or receipt due as a result of the positions held in your account. This procedure will occur daily until you close out the Currency position. Delivery is not available if you are trading on a position based system. All positions will remain open until closed by you.

How are profits and losses on Margin FX Contracts calculated?

The amount of any profit or loss made on the Margin FX Contract will be calculated by keeping the units of one of the currencies constant (the Base Currency) and determining the difference in the number of units of other currency (the Terms Currency). The profit or loss is given in the units of the base currency.

What Happens if the Market is Adverse?

Where Clients experience adverse market movements against their open positions, they can close out the open position, top up the account or wait for Direct FX Trading to automatically close out or force liquidate the trade. Direct FX Trading has a "no negative balance policy" which is intended to ensure that your position is closed out before the value of a trade declines below the required margin to hold the position. Direct FX Trading enables you to manage both adverse and favourable movement by using Stop Loss Order and Stop Limit Orders as part of their risk-management strategy.

Why Would I Use A Margin FX Contract?

Margin FX Contracts are generally used for one of two purposes – hedging or speculating. Margin FX Contracts can provide those who are dependent on overseas trade (and are therefore exposed to currency risk) with a tool for managing the risks associated with changing prices for those currencies. This strategy is known as hedging. Margin FX Contracts are also traded by speculators, who trade in the anticipation of profiting purely from changing relative values in the currency pairs.

Generally, trading Margin FX Contracts allows you to leverage your positions to take a much greater exposure than if you had to pay the full price of holding the physical currency. **Trading in Margin FX Contracts does, however, involve significant risk**. Traders and investors must understand the nature of the risks inherent in such transactions prior to entering into these transactions.

Significant Risks of Margin FX Contracts Explained

You should be aware that trading in the foreign exchange products offered by Direct FX Trading involves risks. It is important that you carefully consider whether trading our products is appropriate for you in light of your investment objectives, financial situation and needs.

Substantial or Total Losses – Despite trying to close out open positions, your loss on a transaction could be very substantial, or even total. If the price or value of one of the underlying currencies moves against your Margin FX Contract position, you will be required to "top up" your account with sufficient funds to maintain your position. The amount required may be substantial. If you fail to maintain the required account balance, your position may be closed out by Direct FX Trading.

Market Risk – There is a risk that the value of your Margin FX Contract position will change as a result of a movement in the underlying currency price. You will suffer a loss if the price of the underlying currency moves unfavourably. Prices of currencies (from which the value of the Margin FX Contract is derived) depend on a number of factors including for example, interest rates, supply and demand and even the actions of governments. This will directly affect the Margin FX Contract value. Given the potential levels of volatility in the markets, it is recommended that you closely monitor your open positions at all times.

Prices – Under certain market conditions the prices of contracts may not maintain their usual relationship with the underlying foreign currency market. Direct FX Trading will select closing prices to be used in determining margin requirements and in marking to market the positions in your account. Prices used may vary from those available to other participants in the market, and consequently Direct FX Trading may exercise considerable discretion in setting margin requirements.

Unregulated Market – The Margin FX Contract products offered by Direct FX Trading are OTC derivatives and are not covered by the protections for exchange -traded derivatives arising from any domestic or international exchange rules (such as guarantee or compensation funds). Contingent-liability transactions which are not traded on or under the rules of a regulated or designated exchange may expose you to substantially greater risks.

Credit or Counterparty Risk – Given that you are dealing with Direct FX Trading as counterparty to every transaction, you will have an exposure to us in relation to each transaction. This is common to all OTC financial market products. You are reliant on Direct FX Trading's ability to meet its counterparty obligations to you to settle the relevant contract. Direct FX Trading may choose to limit this exposure by entering into opposite transactions as principal in the wholesale market in relation to its exposures with clients. In addition, Direct FX Trading must comply with the financial requirements imposed under its AFS Licence.

Leverage – The Margin FX Contracts offered by Direct FX Trading carry a substantial leverage risk. The high degree of leverage that is obtainable in trading the foreign exchange products offered by Direct FX Trading because of the small margin requirements can lead to large losses as well as large gains. The impact of leverage is that even a slight fluctuation in the market could mean substantial gains when these fluctuations are in your favour, but that could also mean considerable losses if the fluctuations are to your detriment. Trading in the foreign exchange products offered by Direct FX Trading may result in the total loss of the amount you deposited with Direct FX Trading. Given the possibility of losing an entire investment speculation in CFDs should be conducted only with risk capital that, if lost, will not significantly affect yo,ur financial stability.

Volatility – Under certain conditions, it may become difficult or impossible for you to close out a position. This can happen when there is a rapid change in the price or value of the underlying currencies over a short period of time. This may result in large losses, however your loss is generally limited to the net amount deposited with Direct FX Trading to establish or maintain a contract, as Direct FX Trading maintains a "no negative balance policy".

Our powers on default, indemnities and limitations on liability – If you fail to pay, or provide collateral for, amounts payable to Direct FX Trading or fail to perform any obligation under your transactions, Direct FX Trading has extensive powers under the Account Terms & Conditions with you to take steps to protect our position including, for example, the power to Close Out positions and to charge default interest. Under the Account Terms & Conditions you also indemnify Direct FX Trading for certain losses and liabilities, including, for example, in default scenarios.

Further, Direct FX Trading's liability to you is expressly limited (to the extent permitted by law) to performing its obligations. You should read the Account Terms s& Conditions carefully to understand these matters.

Electronic Trading Platforms – You should be aware that there are a number of risks associated with using internet -based trading platforms. These risks are not exclusive to our MetaTrader 4 Trading Platform ("Trading Platform") but also apply to other providers of trading platforms. Such risks include, but are not limited to, risks related to the use of software and/or telecommunications systems such as software errors and viruses, bugs, delays in telecommunications systems, connection or system failures, network downtime, interrupted service, data supply errors, and security breaches. A disruption to the MetaTrader 4 Trading Platform could mean you are unable to trade in a Margin FX Contract offered by Direct FX Trading and that you may suffer a financial loss or an opportunity loss as a result. The occurrence of disruptive events is outside the control of Direct FX Trading and, accordingly, you will have no recourse against Direct FX Trading relating to losses sustained as a result of software disruptions.

Use and Access to the Website – You are responsible for providing and maintaining the means by which you access the MetaTrader 4 Trading Platform, which may include without limitation a personal computer, modem and telephone or other access line. While the internet and the world wide web are generally reliable, technical problems or other conditions may delay or prevent access. If you are unable to access the internet and thus, the Trading Platform, it will mean you may be unable to trade in the Margin FX Contract offered by Direct FX Trading and you may suffer a loss as a result. Direct FX Trading cannot be held responsible for losses resulting from such service disruptions.

Furthermore, in unforeseen and extreme market situations, Direct FX Trading reserves the right to suspend the operation of the Trading Platform. In such an event, Direct FX Trading may, at its sole discretion (with or without notice), close out your open positions at prices or values it considers fair and reasonable at such a time and is not responsible for any loss that arises from such actions.

When Markets are Closed – Due to the dynamic nature of our Margin FX Contract and the underlying currencies, it is possible that the value of your open positions will change outside trading hours, while the trading function of our Trading Platform is closed, and various markets may be closed, for example during weekends. In this case, you will not be able to trade in a Margin FX Contract offered by Direct FX Trading (e.g. open a new transaction or close out an open transaction) until trading hours resume and the trading function of the Trading Platform and the relevant market re-opens. You may suffer a financial loss or opportunity loss as a result.

Regulatory Risk – Changes in laws or regulations occur and may have a negative impact on your investment with Direct FX Trading.

Current account balance – This is an important determinant of exchange rates. Currencies with increasing current account surpluses or decreasing current account deficits tend to strengthen against currencies with decreasing current account surpluses or increasing current account deficits. It is the change in the current account deficit or surplus which is relevant.

Current account surplus – A diminishing current account surplus will tend to cause a currency to depreciate, while a shrinking current account deficit will tend to cause the currency to appreciate. However, in practice exchange rates do not always move to reflect current account figures. While over time the relationship holds true there may be sustained periods during which exchange rates move in the opposite direction.

Inflation Rates - These impact upon the ability to purchase goods and services. Over a period of time, the inflationary impact on prices tends to result in price increases for goods and services to offset the impact of inflation. This means that exchange rates should change so as to reflect the relative purchasing power of two currencies.

Interest Rates - How interest rates affect the forward rates has already been described. They can also affect the flow of currencies between countries. Over a period of time it is possible for currencies with a trend towards high local interest rates to attract capital inflows, and vice versa.

How is the Foreign Exchange Rate Determined?

The calculation of the price to be paid (or the payout to be received) for Margin FX Contract offered by Direct FX Trading at the time the product is purchased or sold will be the same as the price Direct FX Trading is quoted from its hedging counterparty. Price quotes are based on, and with reference to, the underlying foreign exchange market on which the Margin FX Contract is based.

Direct FX Trading cannot predict future market prices of underlying currencies and our quotations are not a forecast of what we believe an underlying currency's value will be at a future date. The decision to transact at a particular rate will always be your decision.

GLOSSARY

Account - Account of the client dealing in the products issued by Direct FX Trading, which is established in accordance with the terms and conditions of the Application Terms & Conditions

ASIC - means the Australian Securities and Investments Commission

Asterisk (*) - The asterisk *, also called a "star," is used for a number of different purposed in mathematics. The most common usage is to denote multiplication so, for example, 2 * 2 = 2 x 2 = 6.

Base Currency - Your account is maintained in the currency you have nominated, that is, the base currency. In relation to quoting of currency pairs, the base currency is the first currency of the pair. When quoting AUDUSD, then AUD is the base currency. When quoting USDJPY, then USD is the base currency.

Business Day A day (other than a Saturday or Sunday or public holiday) on which trading banks in Sydney, Australia are open for business.

Account Application Terms & Conditions - The agreement provided to you by Direct FX Trading, detailing the applicable terms and conditions as amended, supplemented or updated from time to time. You must complete, sign and return an Account Application Terms & Conditions, and have your account approved by Direct FX Trading before you can set up an account with Direct FX Trading to deal in products issued by Direct FX Trading.

Australian Dollars or **A$** means the lawful currency of the Commonwealth of Australia.

Client or Customer or You - (which terms are used interchangeably) means the party who accepts the terms of and agrees to the Client Agreement and PDS.

Close Out, Closed Out in relation to a CFD transaction mean discharging or satisfying the obligations of the parties under the CFD transaction and this includes:

(a) by delivering the amount or value of the Reference Security (including a dollar multiple of an index) required in accordance with the Account Terms;
(b) as a result of the matching up of the CFD Transaction with a CFD Transaction of the same kind under which you have assumed an offsetting opposite position; and
(c) making adjustments for fees and charges.

Confirmation means any confirmation of a CFD or FX Margin Contract transaction issued by us or on our behalf to you and includes an electronically transmitted confirmation.

Contract for Difference (“CFD”) - means an agreement between you and Direct FX Trading to trade the difference arising from movements in the price or value of an underlying asset.

Corporations Act - Corporations Act 2001 (Cth) which governs the provision of financial services.

Exchange means the Sydney Futures Exchange operated by Sydney Futures Exchange Limited (ABN 83 000 943 377), the Australian Securities Exchange operated by ASX Limited, the Options Clearing House operated by Australian Clearing House Pty Limited (ABN 48 001 314 503), or any other exchange or market in which You Trade participates from time to time, whether directly or through agents or other market participants.

FSG - Direct FX Trading’s “Financial Services Guide” as amended, supplemented or updated from time to time.

Initial Margin - An amount required to be deposited by the client with Direct FX Trading to open a Margin FX position.

LIBID - LIBID stands for London Interbank Bid Rate. The rate charged by one bank to another for a deposit in the wholesale money markets in London.

LIBOR - LIBOR stands for London Interbank Offer Rate. It's the rate of interest at which banks offer to lend money to one another in the wholesale money markets in London.

limit to buy – An order to purchase a contract at or below a specified price. A buy limit order allows traders and investors to specify the price that they are willing to pay for a contract, such as a currency pair or a CFD. By using a buy limit order, the investor is guaranteed to pay that price or better, meaning that he or she will pay the specified price or less for the purchase of the contract.

While the price is guaranteed, the filling of the order is not. In other words, if the specified price is never met, the order will not be filled and the investor may miss out on the trading opportunity.

limit to sell - An order to sell a contract at or above a specified price. A sell limit order allows traders and investors to specify the price that they are willing to sell a contract for, such as a currency pair or a CFD. By using a sell limit order, the investor is guaranteed to receive that price or better, meaning that he or she will sell the contract at the specified price or higher.

While the price is guaranteed, the filling of the order is not. In other words, if the specified price is never met, the order will not be filled and the investor may miss out on the trading opportunity.

Margin - The Initial Margin or Variation Margin or both.

Margin Call - A demand for additional funds made to the client by Direct FX Trading to meet any additional margin requirement.

Margin FX - Margin foreign exchange.

Margin Foreign Exchange Contract ("Margin FX Contract") – means a rolling spot foreign exchange contract between a Client and Direct FX Trading in relation to an agreed currency pair.

Over the Counter ("OTC") contract- means a contract (or product) that is traded off-market as opposed to on an exchange such as a stock exchange or futures exchange.

PDS - Product Disclosure Statement.

Reference Security means the reference security, other financial product, currency, commodity, index or other item (or any combination of one or more of those) which is used as the basis for the calculations for your CFD or Margin FX Contract.

Stop Limit Order is a particular kind of Stop Loss order. A stop limit order means that the order will not get filled at all below the limit of the order.

Stop Loss Order is an order that you place which allows you to set a price at which you would like to exit the position should the price of the Reference Security move against you.

Term Currency - In relation to quoting of currency pairs; the term currency is the second currency of the pair. When quoting AUDUSD, then USD is the term currency. When quoting USDJPY, then JPY is the term currency.

Variation Margin - The amount deposited by the client with Direct FX Trading including any increase or reduction arising from settlement of a closed position

We, Us or Direct FX Trading - Direct FX Trading Pty Ltd ACN 120 189 424.