



VANTAGE PRIME

PRODUCT DISCLOSURE STATEMENT  
BINARY OPTIONS

Issue Date 24<sup>th</sup> August 2015 Version Number 1.1

You should read all sections of this Product Disclosure Statement before making a decision to acquire this financial product.

Vantage Global Prime Pty Ltd

ACN 157 768 566 AFS Licence No. 428901

# 1. Important Information

Email: [support@vantageprime.com](mailto:support@vantageprime.com)

Website: [www.vantageprime.com](http://www.vantageprime.com)

## Notes and Disclaimer

Terms used in this Document have defined meanings and you should refer to 'Glossary' in section 19. Financial services are provided by Vantage Global Prime Pty Ltd ACN 157 768 566 ("Vantage Global Prime"). This Product Disclosure Statement ("PDS") has been prepared to help you decide whether Binary Options are appropriate for your financial objectives, situation and needs. It has not been prepared to take into consideration your current financial needs or objectives. This PDS does not constitute a recommendation, advice or opinion. It is general information only.

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

The taxation consequences of Binary Option transactions can be complex and will differ for each individual's financial circumstances, and your tax adviser should be consulted prior to entering into a Binary Option transaction.

Vantage Global Prime also recommends that you seek independent advice to ensure this is appropriate for your particular financial objectives, needs and circumstances.

This PDS has not been lodged with the Australian Securities and Investments Commission ("ASIC") and is not required by the Corporations Act to be lodged with ASIC. ASIC takes no responsibility for the contents of this PDS. Where financial services are being provided from a location outside of Australia, the AFSL and Australian regulation only applies to the services provided to Australian investors only.

Nothing in this PDS should be considered as a recommendation to trade in Binary Options or any other product in any way.

Vantage Global Prime does not guarantee the investment performance of Binary Option products or the investment performance of the underlying markets or instruments. Past performance is no indication or guarantee of future performance.

Use of examples in this PDS are provided for illustrative purposes only and do not necessarily reflect our actions or determinations or an investor's personal circumstances.

## How to contact us:

If you have any questions, please contact Vantage Global Prime as follows:

Vantage Global Prime Pty Ltd (AFSL 428901) ACN 157 768 566  
Level 29, 31 Market St, Sydney NSW 2000  
Phone: +61 1300 858 952

## Electronic Versions of the PDS

This PDS document is available on the internet at [www.vantageprime.com](http://www.vantageprime.com) in electronic format. Any person receiving this document electronically who requests a paper copy will be sent documentation to include account opening forms, Client Agreement Terms and Conditions, along with the Financial Services Guide from Vantage Global Prime.

## Updated Information

All clients shall be bound by the contents of this PDS. Information which is not materially adverse to Investors may be subject to change from time to time and will be updated on Vantage Global Prime's website at [www.vantageprime.com](http://www.vantageprime.com). If you require a paper copy of any updated information, please contact Vantage Global Prime. Vantage Global Prime may issue a supplementary or replacement PDS as a result of certain changes, which shall be available on our website or shall be distributed in electronic form as required.

## Treatment of Overseas Applicants

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

The offer to which this PDS relates is available to persons receiving the PDS (electronically or otherwise) in Australia, who provide an Australian address for service when making their application. Application forms which do not specify an Australian address for service (or which are accompanied by payment drawn from a foreign bank account) may be rejected and returned.

## Applications

If you wish to apply for a Binary Option account in paper form you must complete and return the Vantage Global Prime application form agreeing to be bound by the contents of this PDS, the Client Agreement Terms and Conditions and FSG. If an electronic Binary Option application is completed you will need to electronically agree that you have read and understood the Client Agreement Terms and Conditions, FSG and this PDS. When applying for a Binary Option account you agree to be bound by the contents within this PDS.

Warning Binary Option products are considered speculative products which carry significant risks. You should not speculate in Binary Option products unless you properly understand the nature of Binary Option products, and are comfortable with the attendant risks. You should obtain financial, legal, taxation and other professional advice prior to entering into a Binary Option transaction to ensure this is appropriate for your objectives, needs and circumstances.

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## 2. Terms and Conditions

Information provided to you in our FSG and PDS is important and is binding on you. Additional legal terms governing our relationship are detailed in the Client Agreement. If you are applying online you must complete the application in its entirety and then electronically submit the application to Vantage Global Prime for processing. If you complete a hardcopy application you must complete the application in its entirety, sign and return the application form via email fax or by post, and then have your Account approved by Vantage Global Prime. Vantage Global Prime reserves the right to refuse to open a Binary Option Account for any person.

Vantage Global Prime does not guarantee the performance, return of capital from, or any particular rate of return, of a Binary Option product or transaction. Please note that the historical financial performance of any Binary Option or underlying instrument/market is no guarantee or indicator of future performance.

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

Vantage Global Prime only accepts Binary Option order instructions via the electronic trading platform and will not accept Binary Option order instructions via telephone.

You are required to access the electronic trading platform on a daily basis to confirm that any order instructions have in fact been received by us, reconfirm all orders that you place with us, review order confirmations we provide, to ensure their accuracy. Any order discrepancies identified must be reported to us immediately.

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

## 3. Advice

Vantage Global Prime is authorised to buy and sell Binary Options and to give advice in relation thereto. We only provide you with general advice, which does not take into account your particular needs, objectives and circumstances. No personal advice will be provided to any client under any circumstances.

This PDS does not take into account your investment objectives, financial situation or needs. Accordingly, nothing in this PDS should be construed as a recommendation by us or any other person to invest in Binary Options, or any other financial product. You are responsible for the selection of Binary Option you transact with us. We make no representation about the performance of any Binary Option. The performance of the Binary Option will depend on the investment decisions made by you.

## 4. Summary Table

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

Issue	Summary
Who is the issuer of this PDS and the Binary Options?	Vantage Global Prime is both the issuer of this PDS and the provider of Binary Options.
What financial products do we provide?	Binary Options.
What are Binary Options?	Binary Options are over-the-counter ("OTC") options that pay a pre-determined, fixed amount, depending on whether or not a financial event occurs by a certain time. Binary Options can have only one of two possible outcomes and allow you to take a simple "Yes or No" approach
What is a Position?	A Position is a Binary Option entered into by you under the Client Agreement.
A Binary Option is issued "over the counter". What does this mean?	Over the counter ("OTC") means that you do not trade in Binary Options through an exchange or market; rather, it is a transaction between you and us. This means you can only enter into contracts in relation to our products with us. You do not have the protections normally associated with trading on a regulated market. It is not possible to close a Binary Option by giving instructions to another provider, broker or Australian financial services licensee.
What charges are payable when dealing in Binary Options?	There are no fees associated with Binary Option
How do I open an Account?	Read this PDS, the Client Agreement and our FSG, and then complete an application form. You may obtain these documents by: · telephoning us on +61 1300 858 952 · going to our website at <a href="http://www.vantageprime.com">www.vantageprime.com</a>
What is the minimum balance to open an account?	AUD\$100 or equivalent. Unless otherwise specified, all dollar amounts referred to in this PDS are denominated in Australian Dollars.
How do you deal in Binary Options with us?	You may only place orders to deal in Binary Options only via the below method:  - using our Trading Platform through a computer connected to the internet or your mobile telephone.  We will not accept orders or instructions from you through any other means, such as email, unless we have previously agreed with you to do so. It is possible for a third party to place orders on your behalf provided that a written Power of Attorney or authority has been received and accepted by us.
What is a Call Binary Option?	A Call Binary Option is a Binary Option that yields a profit for the buyer when the price of the Underlying Market (the Strike Price) at the Expiry Time is higher than the Expiry Price. Call Binary Options are for those clients who are bullish, and wish for the Underlying Market to "go up"
What is a Put Binary Option?	A Put Binary Option is a Binary Option that yields a profit to the buyer when the price of the Underlying Market (the Strike Price) at the Expiry Time is lower than the Expiry Price. Put Binary Options are for those clients who are bearish, and wish for the Underlying Market to "go down".
How do I close-out a position?	You close a Position in a Binary Option by you taking an equal and opposite Position with us either by single Position Closing or opposite Position Closing.
How do we deal with your money?	Money which you deposit with us will be regulated in accordance with the requirements of the Corporations Act.
What is my "Total Equity"?	Your "Total Equity" is the aggregate of: · the current cash balance in your Account; and · your current unrealised profits and losses.

What is my "Free Equity"?	Your "Free Equity" is your <i>Total Equity</i> less your current Total Margin Requirement. The <i>Free Equity</i> is the amount that you may withdraw from your Account or use to cover additional Margin requirements.
How are payments made in and out of my Account?	You may deposit funds by credit card, electronic transfer, B-Pay® or by cheque. All funds must be Cleared Funds in your Account before they are treated as satisfying a Margin Call or can be made available for you to use in dealing in Binary Options. Payments using B-Pay® are not Cleared Funds in your Account at the time of use of B-Pay®. Generally, Cleared Funds are received in your Account 24 hours after the use of B-Pay®. We will pay you through electronic transfer or cheque.
Do I receive interest on moneys held in my Account or pay interest on moneys I owe to you?	Vantage Global Prime does not pay interest on credit balances in currency ledgers on your Account. We will charge interest on any debit balances in a currency ledger on your Account. Any amounts of interest payable to us will be deducted from any amounts payable by us to you.
Are there any Financing or Swap Charges?	There are no Swaps or other charges associated with Binary Options
What are the key benefits?	Some of the key benefits for each type of Binary Options offered by us in this PDS are set out in Section 7.
What are the risks of Binary Options?	The risks associated with Binary Options are listed in section 8. You should obtain your own <b>independent financial, legal, taxation and other professional advice</b> as to whether Binary Options are an appropriate investment for you.
What procedures are in place to deal with your complaints?	We provide a complaints handling and dispute resolution process for our clients and we are a member of the Financial Ombudsman Scheme (FOS), an external complaints resolution body. If you wish to make a complaint please see section 15.
What are the taxation implications of entering into Binary Options?	The taxation consequences of Binary Option transactions depend on your personal circumstances. Some general taxation consequences are set out in Section 12. The taxation consequences can be complex and will differ for each individual's financial circumstances. We recommend that you obtain independent taxation and accounting advice in relation to the impact of Binary Option transactions and products on your particular financial situation.
What are our trading and office hours?	<b>Trading Hours</b> Trading hours for Binary Options will depend on the relevant Underlying Instrument Market's hours of operation, and are set out on our website. <b>Office Hours</b> Our office hours are Monday to Friday, 8.30am to 5.30pm AEST/AEDT, subject to public holidays.
What if I need further information?	You should speak to your financial advisor, or, alternatively, you can contact us by: · telephone: +61 1300 858 952 (within in Australia) · email: support@vantageprime.com · internet: www.vantageprime.com
What additional fees and charges are payable in respect of Binary Options?	Whilst we endeavour to cover all fees and charges, in some circumstances you may incur fees and charges which are set out in this PDS. See section 11.

## 5. Key Features of the Vantage Global Prime Binary Options

### Binary Options

A Binary Option (also known as a “digital option” or “all-or-nothing option”) is termed a “Derivative”, which is a financial instrument whose value, or price, is derived from an Underlying Market. Examples of underlying markets are; gold, silver, currencies, securities, indices, etc. Basically, any instrument that is ‘tradeable’. It is in effect a synthetic instrument completely constructed to obtain value from movements in a financial market. Binary Options give the Holder the right to profit from moves in the Underlying Market. A Call Binary Option enables the Holder to profit from an Underlying Market that is going up. Conversely, a Put Binary Option enables the Holder to profit from a downward movement of the Underlying Market.

Binary Options are over-the-counter (“OTC”) options that pay a pre-determined, fixed amount, depending on whether or not a financial event occurs by a certain time. Binary Options can have only one of two possible outcomes and allow you to take a simple “Yes or No” approach. For example, will the AUD/USD finish above the current price at the end of the hour? If “Yes”, the binary option settles In-the-Money; if “No”, the binary option settles Out-of-the-Money.

The Binary Option is a contract between you and Vantage Global Prime, which means both parties act as principals to the transaction and have a direct credit exposure to each other. You do not trade through an Exchange and are not afforded the protections normally associated with exchange-traded derivatives, such as guarantee arrangements.

Vantage Global Prime offers Binary Options to customers on individual shares, stock indices, currencies, commodities and such other Binary Options as may be notified from time to time.

The Deposit Requirement for a Binary Option is an amount equal to your maximum loss on that Binary Option.

### How are Binary Options Settled

Binary Options may be either American style or European style:

- European options can be exercised only on the Expiry Time, not before.
- American options can be exercised at any time up to and including the Expiry Time.

Binary Options are non-deliverable, which means they are cash settled.

### Why Trade Binary Options

People who trade in Binary Options may do so for a variety of reasons. Some trade for speculation, that is, with a view to profiting from fluctuations in the price or value of the Underlying Market. Others trade Binary Options to hedge their exposures to the Underlying Market.

## 6. Binary Option Trade Examples

The examples set out in this PDS are for illustrative purposes only and do not reflect the current or future market movements, nor do they guarantee any performance of Vantage Global Prime Binary Options.

### Call Binary Options

A Call Binary Option is a Binary Option that yields a profit for the buyer when the price of the Underlying Market (the Strike Price) at the Expiry Time is higher than the Expiry Price. Call Binary Options are for those clients who are bullish, and wish for the Underlying Market to “go up”.

For example, you buy a \$100 Call EUR/USD Binary Option with a Strike Price of \$1.2500 and a payout of 85%. If at expiry the EUR/USD price (the Underlying Market) is above 1.2500, then your Binary Option would be worth \$185 (i.e. \$100 investment plus 85% profit). On the other hand, if at expiry the EUR/USD price is below 1.2500, your Binary Option will be worthless and you will have a 100% loss of your initial investment amount.

### Put Binary Options

A Put Binary Option is a Binary Option that yields a profit to the buyer when the price of the Underlying Market (the Strike Price) at the Expiry Time is lower than the Expiry Price. Put Binary Options are for those clients who are bearish, and wish for the Underlying Market to “go down”.

For example, you buy a \$100 Put EUR/USD Binary Option with a Strike Price of \$1.2500 and a payout of 85%. If at expiry the EUR/USD price (the Underlying Market) is below 1.2500, then your Binary Option would be worth \$185 (i.e. \$100 investment plus 85% profit). On the other



hand, if at expiry the EUR/USD price is above 1.2500, your Binary Option will be worthless and you will have a 100% loss of your initial investment amount.

## 7. Benefits of trading Vantage Global Prime Binary Options

There are many benefits associated with trading Binary Options with Vantage Global Prime, including (but not limited to):

- Easy to understand. Options and derivatives in general can be complex and are primarily geared towards professional and institutional investors. Binary Options are much more transparent and easy to understand than traditional options and derivatives since the trader is speculating on a simple probability of directional movement.
- Limitation of Loss. The maximum loss a person suffers with Binary Options is capped at the initial amount invested. There is no possibility of the Holder losing more than their initial investment in the purchase of a Binary Option and so the level of risk is always certain, in contrast to CFDs, Futures, Sold Options and other derivatives where losses can increase exponentially. Therefore, there are no margin calls or the need to worry about stop losses with trading Binary Options.
- Hedging. An investor can use Binary Options to hedge exposure of a current holding in an Underlying Market.
- Speculation. Unlike buying the actual commodity, security, currency, etc, where the investor expects the price to rise, Binary Options allow investors to speculate on whether the Underlying Market price will increase or decrease in value without the need to buy or sell the underlying itself, i.e. investors can go "long" or "short" by buying a Call Binary Option if they think that the Underlying Market will go up and buying a Put Binary Option if they think that it will go down.
- Profit from Flat Markets. Because Binary Options, by their nature, have a fixed payout, they offer opportunity when markets are trading flat.
- Another benefit of Vantage Global Prime Binary Options is that there are no brokerage fees or commissions.

## 8. Risks of trading Vantage Global Prime Binary Options

Binary Options are speculative and involve a degree of risk, including the risk of losing the entire Deposit Requirement. Therefore, only risk capital should be invested i.e. money you can afford to lose.

### Introduction

This document outlines some of the risks and does not purport to disclose all of the risks or other relevant considerations relating to trading in Binary Options. Binary Options are considered by Vantage Global Prime to be suitable only for those investors who understand the risks involved and are prepared to sustain a complete loss of the initial investment amount. Vantage Global Prime recommends that potential investors obtain independent financial advice before trading in Binary Options with Vantage Global Prime.

It is impossible in a document of this type to take into account the investments objectives, financial situation and particular needs of each reader. Accordingly, nothing in this PDS should be construed as a recommendation by Vantage Global Prime or any associate of them, or any other person concerning investment in Vantage Global Prime Binary Options. Readers should not rely on this PDS as the sole or principal basis for any investment decision in relation to Vantage Global Prime Binary Options.

### General Market Risk

This is the risk that the markets move in a direction not anticipated. External market forces can cause markets and prices to change quickly, such forces include changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the marketplace. Due to the all-or-nothing payout, an investment in Binary Options involves the risk that the Binary Option may expire with no value at all. These risks are generally applicable to any investments.

### Termination of Binary Options before the Expiry Time

European style binary options, cannot be 'closed out' or sold prior to the Expiry Time. Therefore, for European style Binary Options clients are not allowed the flexibility to take advantage of movements in the Underlying Market and thus take advantage of a profitable situation and close out, realising a profit prior to expiry.

## **Possible Illiquidity of Trading Market**

A liquid market is generally one in which there is sufficient trading activity to satisfy both buyers and sellers. An illiquid market is generally one in which it is difficult to find bids and offers. Some commodity markets are extremely illiquid, and hence Vantage Global Prime reserves the right to postpone offering a price for a Binary Option until a more liquid market develops.

## **Credit Risk**

Binary Options are traded over-the-counter ("OTC"), which means they are not traded via a regulated exchange. Hence they are a transaction solely between the client and Vantage Global Prime. Our obligation to make payments in respect of the Binary Options are unsecured obligations of us, which means that the client is subject to our credit risk. If we were to become insolvent, it is possible that a scenario may evolve that we would become unable to meet our financial obligations to clients. Investors must do their own due diligence and make their own assessment of our ability to meet our obligations in respect to the above mentioned situation.

## **Operational Risk**

There is always some form of operational risk in the financial markets which may lead to delays in the execution and settlement of transactions. Telecommunication and computer networks and external events beyond our control have been known to malfunction and cause problems in the normal day to day business operations. We reserve the right to postpone pricing of a Binary Option until such time as telecommunication levels are restored to a normal operating level; however, we will do our best to accommodate clients' demands.

## **Regulatory Risk**

Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in Binary Options, as may any regulatory action taken against us.

## **Powers of Vantage Global Prime**

Should you fail to pay any amounts due and payable, we have extensive powers to close out positions and charge default interest. Under the Client Agreement Terms & Conditions you also indemnify Vantage Global Prime and its employees, agents and representatives against certain losses and liabilities. You should read the Client Agreement Terms & Conditions carefully to ensure you understand these powers and responsibilities.

## **Potential Conflict of Interest**

Vantage Global Prime does not have any associations or relationships, be they business or otherwise, which might influence our ability to provide our regular Binary Options business.

**Please note that trading in Binary Options involves dealing in the financial markets that are highly volatile and unpredictable. Vantage Global Prime strongly recommends that investors do not risk any more capital than they can comfortably afford to lose.**

## **Vantage Global Prime Risk/ Counterparty Risk**

As Vantage Global Prime is the market maker i.e. the issuer of the Binary Option products described in this PDS, Vantage Global Prime is the counterparty to every contract. You will have an exposure to us in relation to each contract as is common to all OTC financial market products. You are therefore exposed to the financial and business risks, including credit risk, associated in dealing with Vantage Global Prime and reliant on Vantage Global Prime's ability to meet its counterparty obligations to you to settle the relevant contract. Our ability to fulfill our obligations is linked to our financial wellbeing, which is commonly referred to as credit or counterparty risk. You must make your own assessment of our ability to meet our obligations. Vantage Global Prime has not been rated by an external credit rating agency. If we were to become insolvent, we may be unable to meet our obligations to you. Vantage Global Prime may become unable to operate its Binary Option market as a result of a regulatory impediment (for example Vantage Global Prime ceasing to hold an Australian Financial Services Licence or because ASIC imposes a stop order on the PDS issued by Vantage Global Prime).

You are reliant on Vantage Global Prime's ability to meet its counterparty obligations to you to settle the relevant contract. Vantage Global Prime 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, Vantage Global Prime must comply with the financial requirements imposed under its AFS Licence.

Please contact us in writing at the address/email provided herein, should you wish to obtain a free-of-charge copy of our latest audited financial statements which may assist in your assessment of credit risk.

## **Clients' Money**

Your funds are held in our client trust account and are comingled with the funds of all of our other clients. Subject to the Corporations Act, your funds kept in our client trust account can be used for the purposes of covering payments for other clients and meeting our Margin requirements with our OTC Derivatives Providers. This means that you may potentially suffer losses as a result of default by another client where money from the client trust accounts is applied to cover that client's payment obligations. Moreover, you may not receive all the money held by us on your behalf in the client trust account if there is a deficit in the client trust account and we become insolvent or are otherwise unable to pay the deficiency.

## **Consequences of your default**

If you fail to perform any obligation under your Binary Options, we have extensive powers under our Client Agreement with you to take steps to protect our position. Under the Client Agreement you also indemnify us for certain losses and liabilities, including, for example, any default by you under the Client Agreement. Further our liability to you is expressly limited. You should read the Client Agreement carefully and obtain advice to make sure you understand these matters.

## **Information we make available**

We may make information available to you that is generated by us or obtained from third parties. This includes, but is not limited to, market information such as financial market data, quotes, news, analyst opinions and research reports, graphs or data. This market information:

- Is not intended to be advice;
- Is not endorsed or approved by us and we do not guarantee the accuracy, timeliness, completeness or correct sequencing of the market information;
- Is available as a service for your own convenience only;
- May quickly become unreliable for various reasons including, for example, changes in market conditions or economic circumstances; and
- Is not necessarily up to date.

Except as required by law, we do not warrant any results from your use or reliance on the market information. We may discontinue offering this market information at any time without notice.

## **Execution Risk**

A delay in execution may occur for various reasons, such as technical issues with your internet connection to our trading servers. The Vantage Global Prime Trader Platforms may not be maintaining a constant connection with our trading servers. In those circumstances, the price offered by us may change before we receive your order. If you place an order and the price changes before the order is received, the order will be accepted by us at the new price. This means the price at which your order is accepted may be different from the price you were quoted. We cannot predict future price movements and our quotations are not a forecast of where we believe currency prices will be at a future time.

## **Electronic Trading platform risk**

You shall be responsible for providing and maintaining the means by which to access the electronic trading platform, which may include without limitation a personal computer, modem and telephone or other access line. While the internet and the World Wide Web are generally reliable, technical problems or other conditions may delay or prevent access thereto. If you are unable to access the internet and thus, the electronic trading platform, it will mean you may be unable to trade in a Binary Option product offered by Vantage Global Prime when desired and you may suffer a loss as a result. Should the system be unavailable, clients may place their orders via telephone with a representative of Vantage Global Prime. Furthermore, in unforeseen and extreme market situations, such as an event like September 11, or a global catastrophe, Vantage Global Prime reserves the right to suspend the operation of the electronic trading platform or any part or sections of it. In such an event, Vantage Global Prime may, at its sole discretion (with or without notice), close out your open contracts at prices it considers fair and reasonable at such a time. Vantage Global Prime may impose volume limits on client accounts, at its sole discretion. Please note that such measures would only be implemented in extreme market conditions, and such discretion only reasonably exercised in the best interests of the client.

## **No cooling off**

There are no cooling-off arrangements for Binary Options. This means that when Vantage Global Prime arranges for the execution of a Binary Option, you do not have the right to return the product, nor request a refund of the money paid to acquire the product.

## **Superannuation Funds**

It should be noted that complying superannuation funds are subject to numerous guidelines and restrictions in relation to their investment activities which are contained in the Superannuation Industry Supervision Act 1993, and associated regulations and regulatory guidance material.

Without being an exhaustive list, following are some of the issues that should be considered by a Trustee of a complying superannuation fund:

- Restrictions on borrowing and charging assets and whether dealing in over-the-counter Derivative products would breach those borrowing and charging restrictions;
- The purpose of dealing in over-the-counter Derivative products in the context of a complying superannuation fund's investment strategy as well as the fiduciary duties and other obligations owed by Trustees of those funds;
- The necessity for a Trustees of a complying superannuation fund to be familiar with the risk involved in dealing in over-the-counter Derivative products and the need to have in place adequate risk management procedures to manage the risks associated in dealing in those products; and
- The consequences of including adverse taxation consequences if a superannuation fund fails to meet the requirements for it to continue to hold complying status.

## 9. ASIC REGULATORY GUIDE 227 DISCLOSURE BENCHMARKS

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

There are 7 disclosure benchmarks required to be address, all of which we are of the view, have been met by Vantage Global Prime's compliance with each benchmark is addressed in the following table:

Benchmark description	How does Vantage Global Prime meet this benchmark?	Relevant sections of the PDS which provide further relevant information
<b>Client qualification</b>	<p>Vantage Global Prime maintains and applies a written policy which sets out the minimum qualification criteria that prospective retail investors will need to demonstrate before we will open a trading account for you. Vantage Global Prime also maintains a written policy/procedure to ensure such criteria are properly applied, and unsuitable investors are not accepted. We also maintain records of our assessments.</p> <p>Please note that we do not provide personal advice regarding the suitability of trading in these products for your personal financial circumstances and objectives.</p> <p>However, Vantage Global Prime does not accept retail investors unless they are able to satisfactorily answer the questionnaire (to be included shortly) in our trading account application form which addresses the following criteria:</p> <ul style="list-style-type: none"> <li>- Previous trading experience in financial products</li> <li>- Understanding of leverage, margins and volatility</li> <li>- Understanding of the key features of the product</li> <li>- Understanding the trading process and relevant technology</li> <li>- Ability to monitor and manage the risks of trading</li> <li>- Understanding that only risk capital should be traded</li> </ul>	<p>2. Terms and Conditions</p> <p>3. Advice</p> <p>5. Key Features of the Vantage Global Prime Binary Options</p> <p>18. Client Agreement</p>
<b>Opening collateral</b>	<p>Vantage Global Prime only permits clients to open an Account and trade with cleared funds (ie transfer of cash from your banking account to your trading account).</p> <p>Please note that an Account may be opened with a cash transfer from your bank account by BPAY, cheque or with a credit card (but only to a maximum amount of \$1,000 for credit cards, from March 2012). Funds deposited with us may take up to three days or more to clear. It is your responsibility to ensure that the amounts transferred to our trust account are cleared in sufficient time to meet all the payment obligations you have under the Client Agreement. If you are not sure how long it will take for your payments to clear, you should contact your financial institution.</p> <p>Prior to entry into a Binary Option you must have sufficient cleared funds in your account that equal or exceed the Deposit Requirement</p>	<p>2. Terms and Conditions</p> <p>11. The Binary Options Account</p> <p>10. Opening an Account</p>
<b>Counterparty risk – hedging</b>	<p>Vantage Global Prime maintains and applies a written policy to manage our exposure to market risk from client positions. This includes strict risk management controls to monitor and manage (hedge) our trading exposures on an intraday basis, and includes a process for assessing our hedging counterparties (to ensure they are of sufficient financial standing, are licensed</p>	<p>8. Risks of trading Binary Options</p> <p>www. Vantage Global Prime.com.au</p>

	<p>by a comparable regulator, and are of sound reputation).</p> <p>A summary of our policy, which notes our current approved hedging counterparties, is available on our website (and may be updated from time to time as counterparties change).</p>	
<b>Counterparty risk –financial resources</b>	<p>Vantage Global Prime maintains and applies a written policy to ensure the ongoing maintenance of adequate financial resources. We further maintain a detailed Risk Register, in which the key risks of our business are addressed and reviewed. Please note that we have a designated compliance officer who monitors our compliance with our licence conditions and ASIC RG 166 (financial) obligations, as well as review and input from our independent external legal and accounting advisers. Further, our external independent auditor conducts an audit at the conclusion of every financial year, a copy of which can be provided to you upon written request. Please contact us in writing at the address/email provided herein, should you wish to obtain a free-of-charge copy of our latest audited financial statements which may assist in your assessment of credit risk.</p> <p>Please note we do not undertake stress testing in relation to unhedged market exposures, as we fully hedge all transactions with clients, with our hedging counterparties who are reputable licensed third party financial services providers.</p>	8. Risks of trading Binary Options – Vantage Global Prime/Counterparty Risk
<b>Client money</b>	<p>Vantage Global Prime maintains and applies a clear policy with regard to the use of client money. Please note that money you deposit into your trading Account is co-mingled with other client money in our client trust account. Such monies are only applied to client trades/settlement obligations and to pay agreed fees etc, in line with the Corporations Act requirements.</p> <p>Please note that monies deposited into your trading Account to meet Deposit Requirement, fees, transaction settlements, or other costs shall be immediately on-forwarded (where applicable) to our licensed third party clearing and execution providers, and applied against your settlement obligations. Client monies which are held pending future transactions and payments, are retained in our segregated account in accordance with the Corporations Act. It is important to note that holding your money in one or more segregated accounts may not afford you absolute protection.</p> <p>Vantage Global Prime enters into arrangements with third party execution and clearing providers for the facilitation of transactions and settlements, and avails monies received for margin calls and settlements to such providers for this purpose. Accordingly clients are indirectly exposed to the financial risks of our counterparties and organisations with whom Vantage Global Prime holds client funds. If the financial condition of Vantage Global Prime or assets of our counterparties or the parties with which we hold client assets deteriorate, then clients could suffer loss because the return of the client capital could become difficult.</p> <p><b>Your funds will be kept together with the funds of other clients in our client trust account. Your funds kept in our client trust accounts can be used to meet the payment obligations of our other clients. This means that you may also potentially suffer a loss as a result of default by another client where money from the client trust account is applied to meet the payment obligations of that client and there is a deficiency in the client trust account. In the event of our insolvency, your entitlements as a creditor will rank equally with all other clients and you may not receive of all the money held by us on your behalf if there is a deficit in the client trust account.</b></p>	8. Risks of trading Binary Options – Clients' Money 8. Risks of trading Binary Options– Vantage Global Prime/Counterparty Risk 11. The Binary Option Account
<b>Suspended or halted underlying assets</b>	<p>An underlying financial product may be placed in a trading halt on the relevant exchange in various circumstances. Additionally, it may be suspended or delisted in certain circumstances. Exchange rates depend on a number of</p>	2. Terms and Conditions 11.Binary Options Account 18. Client Agreement

	<p>factors including, for example, interest rates, currency supply and demand and actions of government. In some situations, exchanges of currency may be suspended. Vantage Global Prime may, in its absolute discretion, cancel your order in respect of a Binary Option which has not yet been opened, where the underlying financial product is the subject of a trading halt, suspension or delisting.</p> <p>When you place an order for a Binary Option with us, it is likely that we will place a corresponding order to purchase or sell the relevant product to hedge our market risk. Vantage Global Prime has the discretion as to when and if it will accept an order. Without limiting this discretion, it is likely that we will elect not to accept an order in circumstances where our corresponding order cannot be filled.</p> <p>Accordingly, Vantage Global Prime may at any time determine, in our absolute discretion, that we will not permit the entry into Binary Options over one or more underlying markets.</p>	
Margin calls	<p>There are no margin calls in relation to Binary Options.</p> <p>The maximum loss a person suffers with Binary Options is capped at the initial amount invested. There is no possibility of the Holder losing more than their initial investment in the purchase of a Binary Option and so the level of risk is always certain. Therefore, there are no calls or the need to worry about stop losses with trading Binary Options.</p>	7. Benefits of trading Vantage Global Prime Binary Options

## 10. Opening an Account

Prior to transacting in Binary Options, you must read and understand our FSG, this PDS and the Client Agreement.

Before opening an Account, you must sign our Client Agreement. This is an important legal document containing the terms and conditions which govern our relationship with you. It is provided to you separately by Vantage Global Prime. See also section 19 of this PDS which sets out some of its key terms.

We recommend that you consider seeking independent legal advice before entering into the Client Agreement, as the terms and conditions detailed in that agreement are important and affect your dealings with us.

You must complete, sign and return a Client Agreement, and have your application to open an Account approved by Vantage Global Prime.

Vantage Global Prime may refuse to open an Account for any person.

If your application is accepted, we may require you to pay to us, and maintain at all times, a balance in your Binary Option account representing Cleared Funds. Cleared Funds are amounts deposited or credited to your Binary Option account which are able to be withdrawn by us for the purposes of acquiring Binary Options or making other payments.

We will comply with our obligations to report all relevant transactions to AUSTRAC in accordance with anti-money laundering requirements.

## 11. The Binary Option Account

### What is a Binary Option account?

A Binary Option account is a record, or a series of records, maintained by us (or on our behalf) that shows, at any point in time, the net position of the payments you have made or are required to make to us and the payments we have made or are required to make to you. The Binary Option account is not a deposit account with us and no money is held in the Binary Option account. Money paid by you is initially deposited in our trust account and is discussed in detail below.

Under the Client Agreement you authorise us to:

- credit your Binary Option account with any amounts deposited by you in our trust account and the amounts we are required to credit to you; and
- debit your Binary Option account with the amounts as set out in below and any amounts withdrawn by you; and

## How are the funds you deposit with us held?

Under the Client Agreement, you agree to pay to us sufficient funds at all times to satisfy all amounts payable by you under the Client Agreement. Any money that you pay to us may for a period be held, separately from our money, in a client trust account or invested by us. Such money will be held, dealt with and invested in accordance with the Corporations Act and the terms of the Client Agreement.

Under the terms of the Client Agreement, you agree that:

- your money in our client trust account is not kept separate from the money of other clients;
- we may withdraw your money from the trust account in any of the following circumstances:
  - making a payment to, or in accordance with your written directions for purposes of entering into Binary Options;
  - defraying brokerage and other proper charges;
  - paying to us money to which we are entitled;
  - making a payment that is otherwise authorised by law; and
  - making a payment to another licensee provided that the receiving licensee is notified that the money has been withdrawn from the trust account and pays it into their trust account;
- amounts withdrawn from the client trust account under the above clause:
  - belong to us; and
  - will no longer be your funds or be held for you.
- we are entitled to invest the money in the client trust account in accordance with the Corporations Act;
- unless otherwise agreed in writing with you:
  - we are solely entitled to any interest or earnings derived from your money being deposited in our client trust account, the trust account of our OTC Derivatives Provider or invested by us in accordance with the Corporations Act. Such interest or earnings are payable to us from the relevant trust account or investment account, as the case requires, as and when we determine;
  - upon realisation of an investment of your funds, the initial capital invested must either be invested in another investment permitted by the Corporations Act or deposited by us into the client trust account operated in accordance with the Corporations Act;
  - in the event that the amount received upon realisation of an investment of your funds is less than the initial capital invested, we must pay an amount equal to the difference into the client trust account for your benefit, except where any such difference is the result of amounts paid out of the investment to us in accordance with the Client Agreement; and
  - we will not charge a fee for investing the money in the client trust account; and
- we may use the money in the trust account for the purpose of meeting obligations incurred by us in connection with margining, guaranteeing, securing, transferring, adjusting or settling dealings in Derivatives by us (including dealings with our OTC Derivatives Provider), including dealings on behalf of other clients. If used for this purpose, the money will be held in one or more accounts in the OTC Derivatives Providers' name in accordance with the Corporations Act.

**Holding your money in one or more client trust accounts may not afford you absolute protection. The purpose of a client trust account is to segregate our clients' money, including your money, from our own funds. If the amount held in a trust account for you does not satisfy or fully satisfy moneys we owe to you and we become insolvent, you will be an unsecured creditor in relation to the balance of the moneys owing to you.**

**Your funds will be kept together with the funds of other clients in our client trust account. Your funds kept in our client trust accounts can be used to meet the payment obligations of our other clients. This means that you may also potentially suffer a loss as a result of default by another client where money from the client trust account is applied to meet the payment obligations of that client and there is a deficiency in the client trust account. In the event of our insolvency, your entitlements as a creditor will rank equally with all other clients and you may not receive of all the money held by us on your behalf if there is a deficit in the client trust account.**

Vantage Global Prime 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 Vantage Global Prime on this account is determined by the provider of the deposit facility.

### **How do you get funds in and out of your Binary Option account?**

You can deposit funds to our trust account by sending us a cheque or using electronic funds transfers, BPAY or credit card. Those funds will be credited to your Binary Option account.

Funds deposited with us may take up to three days or more to clear. It is your responsibility to ensure that the amounts transferred to our trust account are cleared in sufficient time to meet all the payment obligations you have under the Client Agreement. A failure to do so could result in your orders being cancelled and your Binary Options being closed out and being charged default interest. If you are not sure how long it will take for your payments to clear, you should contact your financial institution.

### **Do I receive interest on funds in my Binary Option account?**

You will not receive any interest on balances in your Binary Option account.

## **12. Fees and Other Costs**

The costs associated with Binary Options are the price of the Binary Option itself. You will not be charged a fee when you acquire any Binary Option product. Vantage Global Prime absorbs all of its costs regarding its hedging, trading and dealing and never passes these onto clients. Instead, Vantage Global Prime derives its income from options purchased by clients that expire 'out of the money'. An option trade expires out-of-the-money when the expiry price of the underlying market is below the strike price for a call binary option and above the strike price for a put binary option.

Vantage Global Prime reserves the right to pass on administration charges such as (but not limited to) credit card merchant fees and bank wire transfer fees. Full details on such fees are available from our website [www.vantageprime.com](http://www.vantageprime.com)

## **13. Taxation**

### **Taxation Advice**

**VANTAGE GLOBAL PRIME DOES NOT PROVIDE ANY TAXATION ADVICE.**

If you trade in Binary Options you may be subject to Australian taxation.

Trading in Vantage Global Prime Binary Options has the potential for generating substantial profits as well as the potential for generating substantial losses. The tax implications of such profits or losses may be significant depending on the personal circumstances of the individual client. Vantage Global Prime does not provide tax advice and the impact any profits or losses generated from trading may have on your overall tax position.

To date, the Commissioner of Taxation has not given any guidance on Binary Options. Vantage Global Prime recommends that each client obtain their own independent taxation advice in relation to the impact of Vantage Global Prime Binary Option transactions on their particular financial situation.

### **Capital Gains Tax**

Binary Option positions may constitute a capital gains tax (CGT) asset held by you for the purposes of applying the CGT provisions to any capital gain or capital loss realised by you

### **Goods and services (GST) tax**

No GST should be payable in relation to your trading of Binary Option with Vantage Global Prime. This is on the basis that they are considered to be 'financial supplies' under the A New Tax System (Goods and Services Tax) Act 1999. Consequently, they are input taxed and no GST payable on their supply. However, independent advice should be sought from your accountant or financial adviser confirming this, before acting in reliance thereon. Clients should seek their own GST advice on the implication of entering into Binary Options



## 14. Disclosure of Interests

We do not have any relationships or associations which might influence us in providing you with our services. However, Vantage Global Prime 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, Vantage Global Prime is a market maker, not a broker, and accordingly will always act as principal for its own benefit in respect of all Binary Option transactions with you. Vantage Global Prime may conduct transactions to hedge its liability to you in respect of your Binary Option positions by undertaking transactions in the underlying currencies. Such trading activities may impact (positively or negatively) the prices at which you may trade Binary Option 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 Vantage Global Prime

## 15. Privacy Policy

Your privacy is important to us. The information you provide Vantage Global Prime 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.vantageprime.com](http://www.vantageprime.com)

## 16. Dispute Resolution

We want to know about any problems or concerns you may have with our services so we can take steps to resolve the issue. We have internal and external dispute resolution procedures to resolve complaints from clients. A copy of these procedures may be obtained by contacting us and requesting a copy.

Initially, all complaints will be handled and investigated internally to resolve any complaints or concerns you may have, as quickly and fairly as possible in the circumstances. Any complaints or concerns should be directed to us (by telephone, email, or letter) at the address and telephone numbers provided in section 1 of this PDS. We will seek to resolve your complaint within 7 days or such further time period that may reasonably be required given the nature of the complaint. We will investigate your complaint, and provide you with our decision, and the reasons on which it is based, in writing.

Should you feel dissatisfied with the outcome, you have the ability to escalate your concerns to an external body for a resolution. Furthermore Vantage Global Prime Pty Ltd is a member of the Financial Ombudsman Service (FOS), which is an approved external dispute resolution scheme that can deal with complaints about all of the financial services Vantage Global Prime Pty Ltd provides under its AFSL.

If you have a complaint about the financial services provided to you, please take the following steps:

Contact Vantage Global Prime Pty Ltd to inform us about your complaint. You may do this by telephone, email or letter. If you are dissatisfied with the outcome, you have the right to complain to the Financial Ombudsman Service (FOS) in writing at:

Financial Ombudsman Service  
G.P.O. Box 3  
Melbourne VIC 3001

Telephone: 1300 780 808  
Web: [www.fos.org.au](http://www.fos.org.au)  
Email: [info@fos.org.au](mailto:info@fos.org.au)

Vantage Global Prime Pty Ltd is a member of the FOS complaints resolution scheme and our membership number is 30840.

You can contact the Australian Securities and Investments Commission on 1300 300 630. This is a free call info line. This is another alternative that you may use to make a complaint and obtain information about your rights. If you have any queries about this FSG or our services, you can contact Vantage Global Prime Pty Ltd:

Level 29, 31 Market St, Sydney NSW 2000

Phone: +61 1300 858 952

Email: support@vantageprime.com

## 17. Anti-money laundering and Counter-terrorism financing

By applying for a Binary Option account you are taken to agree to the following terms:

- you are not aware and have no reason to suspect that:
  - the money used to fund your Binary Option account or has been or will be derived from or related to any money laundering, terrorist financing or other activities deemed illegal under the applicable laws or otherwise prohibited under any international convention or agreement ('illegal activities'); or
  - the proceeds of your Binary Option account will be used to finance illegal activities; and
- you agree to promptly provide us with all information that we reasonably request in order to comply with our obligations under all applicable laws.

Vantage Global Prime does not accept payments from or make payments to any third parties. ***In no circumstances does Vantage Global Prime accept cash deposits.***

In accordance with applicable laws, Vantage Global Prime reports, where necessary, any suspicious matters to AUSTRAC.

## 18. Client Agreement

This PDS should be read in conjunction with our Client Agreement which sets out our terms and conditions between you and us for the Binary Options we offer.

In order to open an Account, you are required to sign our Client Agreement. This is an important legal document containing the terms and conditions which govern our relationship with you. It is provided to you separately by Vantage Global Prime.

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

We note the following key terms in the Client Agreement, some of which have been summarised throughout this PDS:

- Client acknowledgements regarding knowledge and suitability of Binary Option products;
- Client representations and warranties;
- Client account operating details;
- Binary Option trading requirements;
- Binary Option requirements and Vantage Global Prime's rights in respect thereof;
- Client obligations regarding confirmations (discrepancies);
- Process for closing out a trade, and Vantage Global Prime's rights in relation to price calculation;
- Interest payable/receivable on open Positions;
- Requirements regarding the appointment of authorised persons by the client;
- Default events;
- Vantage Global Prime's rights following a default event;
- Amendment and termination rights;
- Client Indemnity in favour of Vantage Global Prime
- Vantage Global Prime's limitation of liability;
- Fees and charges;
- Restrictions on assignment of agreement;
- Telephone recordings;
- Provision of general advice;
- Governing law (NSW); and
- Electronic trading platform conditions/process.

## 19. Glossary

Feature	Description
<b>'Account'</b>	Account of the client dealing in the products issued by Vantage Global Prime, which is established in accordance with the terms and conditions of the Client Agreement
<b>'AEST'/'AEDT'</b>	Australian Eastern Standard Time/Australian Eastern Daylight Time
<b>'AFSL'</b>	Australian financial services licence issued by ASIC.
<b>'ASIC'</b>	Australian Securities & Investments Commission.
<b>'Binary Option'</b>	A derivative product that is derived from an Underlying Market and that pays a pre-determined, fixed amount, depending on whether or not a financial event occurs at the Expiry Time.
<b>'Call Binary Option'</b>	A binary option that yields a profit for the buyer when the Strike Price at the Expiry Time is higher than the Expiry Price. (See also "Put Binary Option".)
<b>'Cleared Funds'</b>	Amounts deposited or credited to your Binary Option account which are able to be withdrawn by us for the purposes of acquiring Binary Options, or other payments
<b>'Client Agreement'</b>	The agreement between you and Vantage Global Prime in respect of your trading in Binary Option products. Both you and Vantage Global Prime are bound by the terms of the Client Agreement.
<b>'Closing a Binary Option'</b>	To enter into and execute an equal and opposite Binary Option position in respect of an opened Binary Option.
<b>'Corporations Act'</b>	Corporations Act 2001(Cth.).
<b>'Deal' or 'Dealing'</b>	Means dealing as defined by section 766C of the Corporations Act.
<b>'Derivative'</b>	An instrument which derives its value from the value of an underlying instrument (such as shares, commodities, currencies etc).
<b>'Vantage Global Prime', 'we', 'us, or 'our'</b>	means Vantage Global Prime Pty Ltd ACN 157 768 566.
<b>'European Style'</b>	A Binary Option which can only be exercised on the Expiry Time.
<b>'Expiry Price'</b>	The price of the Underlying Market at the Expiry Time.
<b>'Expiry Time'</b>	The time that the Binary Option expires (or terminates).
<b>'Free Equity'</b>	The cash balance in your Binary Option account plus or minus any Unrealised Profit/Loss less any Margin requirements. You can, subject to our terms and conditions, withdraw funds up to the amount, if any, of your 'Free Balance'.

<b>‘Hedging’</b>	A strategy employed to manage exposure to the risk of foreign exchange rate fluctuations by taking a position using Binary Options to eliminate or reduce that risk.
<b>‘Holder’</b>	The person/client whom has purchased the Binary Option from Vantage Global Prime.
<b>‘In The Money’</b>	When the Expiry Price of the Underlying Market is above the Strike Price for a Call Binary Option and below the Strike Price for a Put Binary Option.
<b>‘Issuer’</b>	Vantage Global Prime Pty Ltd ACN 157 768 566.
<b>‘Margin Call’</b>	A Margin Call is a demand for additional funds to be deposited into your Account to meet your Total Margin Requirement because of adverse price movements on your open Positions.
<b>‘Mark to Market Payments’</b>	Payments which are credited to or deducted from your Binary Option account each business day representing the Unrealised Profit/ Loss on you opened Binary Options as the close of business on that date.
<b>‘Market Order’</b>	An order to enter into a Binary Option or to close out an open Binary Option, at the current price set by us.
<b>‘OTC Derivatives Provider’</b>	The party with whom we enter into a Margin FX Contract with, on our own behalf, when we enter into a Margin FX Contract with you to hedge our exposure under the Margin FX Contract between you and us.
<b>‘Out Of The Money’</b>	When the Expiry Price of the Underlying Market is below the Strike Price for a Call Binary Option and above the Strike Price for a Put Binary Option.
<b>‘PDS’</b>	Product Disclosure Statement.
<b>‘Position’</b>	A position is a Binary Option entered into by you under the Client Agreement.
<b>‘Put Binary Option’</b>	A binary option that yields a profit to the buyer when the Strike Price at the Expiry Time is lower than the Expiry Price. (See also “Call Binary Option”.)
<b>‘Strike Price’</b>	The price of the Underlying Market when the Binary Option is purchased. At the instant the price of the Underlying Market reaches the Strike Price the Binary Option is termed to be “at-the-money”.
<b>‘Trading Day’</b>	Monday to Saturday including public holidays.
<b>Total Margin Requirement</b>	The sum of your Margin requirements for all of your open Positions
<b>‘Underlying Instrument’</b>	An underlying instrument is a security, such as a stock, a commodity, or other type of financial product, such as a stock index, whose value determines the value of a Derivative investment or product.
<b>‘Value date’</b>	Date that both parties agree to exchange payments for the Binary Option.
<b>‘You’ or ‘Client’</b>	The person who accepts the terms of and agrees to the Client Agreement