
Product Disclosure Statement



FOREX RAY

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1. Very important Information and Disclaimer

1.1 Financial services are offered Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone("Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone"). This Program Disclosure Statement ("PDS") has been recently organized to support you decide whether margin FX is suitable for your financial goals, situation and requirements. It has not been organized to take into concern your current financial requirements or objectives. This PDS does not comprise a suggestion, guidance or opinion. It is common information simple.

1.2 Transactions concerning Margin FX are extremely utilized and include many risksSwear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the EurozoneFinancial advises that just before trading begins that you comprehend and accept these risks.

1.3 Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial also suggests that you look for independent guidance to ensure this is suitable for your certain financial goals, requires and circumstances.

1.4 This Particular Product Disclosure Statement is dated 4th Feb 2013.

2. Objective and Contents of this Product Disclosure Statement ("PDS")

2.1 This kind of PDS is designed to offer you with very important information regarding margin foreign currency exchange financial transactions we make use of in the supply of our services, including the following information:

- Exactly who we are
- The best way to contact us
- Which usually products and services we are authorized to provide
- Key features/risk/benefits of these types of products and services
- Applicable service fees and expenses for these products and services
- Any kind of (potential) issues of interest we may possess; and
- Our external and internal challenge resolution process.

2.2 The knowledge in this PDS is subject to change from time to time. This PDS doesn't comprise an offer or request to anyone outside the authorized jurisdiction.

2.3 If you would just like further information, please request us. Additional info on our services is accessible on our website - <https://forexray.com>

3. Name of Service plan Provider

3.1 The Service Provider is Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the EurozoneFinancial Pty Ltd,Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial Pty Ltd

26 B Hobill Ave, Manukau, Auckland, New Zealand Tel: +64 9887 3380

Working hours: 24/5

4. Applications

4.1 If you wish to apply for a Margin FX account you have to complete and return the Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial application form accepting to the information held in this PDS. Where this PDS is produced available on the web, you must print a copy of the application form and comprehensive and return it or complete the online form accepting to the information kept in this PDS.

5 Some other Jurisdictions

5.1 The offer to which this PDS applies is available only to persons receiving the PDS in New Zealand. The 2nd distribution of this PDS in jurisdictions outside New Zealand may be subject matter to legal restrictions. Any person who exists outside New Zealand who gains access to this PDS should conform to any such restrictions as failure to do so may comprise a violation of financial services laws.

6 Products and services protected in this PDS

6.1 This can be a PDS for derivatives and forex currency market products and services provided by Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial. These are over the counter (“OTC”) contracts. Foreign exchange is basically exchanging one currency for another. The exchange rate is the price of one foreign currency in terms of another currency such as the price of the New Zealand dollar (“NZD”) terms of the United States dollar (“USD”). For instance, if the current trade rate for the NZD as against the USD is NZD/USD 0.70000, this means that one NZD dollar is equivalent to, or can be exchanged for, 0.70000 USD or 70 US cents.

6.2 Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the EurozoneFinancial products do not result in the actual delivery of the currency, as well as some products which are deemed to be foreign currency exchange contracts. Every one of the FX products is funds modified or Closed Out by the client i.e. there is not a physical trade of one currency for another.

7. Exactly what is a Margin FX Financial transaction?

7.1 Margin FX transactions are over-the-counter ("OTC") types. "Foreign exchange" usually refers to trading in foreign exchange products (currency) in the spot (cash) marketplaces. Margin foreign exchange products can be separated from foreign currency as they permit the investor an opportunity to trade foreign exchange on a margined foundation as opposed to paying for the full value of the currency. In some other words, investors are needed to lodge funds as security (initial margins) and to include all net debitadverse market movements (variation margins) i.e. positions are supervised on a mark-to-market basis to account for any market movements. When customers are producing a loss to an extent that they no longer fulfill the margin requirements they are required to "top up" their accounts or to "close out" their particular position. Foreign currency exchange is basically about exchanging one currency for another at an agreed rate. Consequently, in every exchange rate quotation, there's two currencies. The exchange rate is the price of one currency (the "base" currency) in terms and conditions of another currency (the "terms" currency) such as the price of the New Zealand dollar in terms of the US dollar. For instance, if the current exchange rate for the New Zealand dollar as against the US dollar is NZD/USD 0.70000, this means that one New Zealand dollar is equivalent to, or can be traded for, 70 US cents.

8 Exactly how is the Trade Rate Calculated?

8.1 Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial cannot forecast future Exchange Rates and our quotations are not a forecast of where we believe a FX price will be at a potential date. The choice to transact at a particular Exchange Rate will usually be the client's choice. However, for example, Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial may Close Out a client's available position if the client fails to meet their Margin Requirements. In this scenario, the decision to handle at a particular Exchange Rate would be at Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the EurozoneFinancial's discretion. The price to be compensated or received for FX products provided by Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial, at the time the product is bought or sold, will be centered on the price Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial is quoted from its securing counterparts which is a sophisticated calculation based on estimates of market prices and the expected level of interest rates, suggested volatilities and other market conditions during the life of the FX product or service and is based on a complex arithmetic calculation. Each and every transaction joined into with a client is hedged with a counterparty. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial does not offer a market place amongst or between clients for investments or speculations.

9 Determining Profit as well as Loss

9.1 The profit or loss from a financial transaction is calculated by maintaining the units of one of the foreign currencies constant (the "base" currency) and figuring out the difference in the number of units

of the other currency (the “terms and conditions” currency). The profit or loss will be indicated in the units of the currency which is not kept constant.

10 Useful functionality of Margin FX

10.1 Men and women who trade in Margin FX may do so for a wide variety of reasons. Some trade as:

10.1.1 Speculation: Taking a chance is profiting from fluctuations in the price or value of the fundamental instrument or security. For example, Margin FX investors may be short-term traders who are looking to profit from intra-day and immediately market movements in the fundamental currency. Margin FX traders may have no need to sell or purchase the underlying currency themselves, but may rather be looking to profit from market movements in the foreign currency concerned.

Hedging: Some individuals protect their exposures to the underlying foreign currency. Foreign currency exchange exposures may perhaps happen from a number of various activities.

Currency risk is the risk that arises from international business which may be adversely affected by fluctuations in exchange rates. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone.offers its clients the facility to buy or sell foreign exchange products to manage this risk. This enables clients to protect themselves against adverse currency swings, yet secure enhanced exchange rates when offered, thereby protecting the profit margin made by the corporation during the business transaction relating to the foreign currency trade or protecting the cost of the client’s international holiday in the case of the traveler.

11 Key Benefits of trading in FX products

11.1 FX products provide important risk management tools for those who manage foreign currency exposures. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial offers its clients the ability to buy and sell foreign currency using Margin FX. This enables clients to protect themselves against adverse currency market swings. The Significant benefits of using FX products offered by Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial as a risk management tool are To protect your exchange rate and provide cash flow certainty. These and other benefits are as follows:

11.2 Protect an Exchange Rate

Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone.I provides an online trading platform, enabling clients to trade in OTC derivatives such as Margin FX over the internet. This facility provides clients with direct access to our system to enable them to buy and sell currency rates to protect themselves against adverse market swings. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone.also offers clients a way of managing volatility by using

stop loss orders that enable clients to protect themselves against adverse market swings yet secure enhanced market rates when offered. Clients can eliminate downside risk by the use of stop loss orders if the exchange rate reaches a particular level. In addition, clients may also use limit orders which allow clients the opportunity to benefit from favorable upside market movements.

11.3 Provide cash flow certainty

By agreeing a rate now for a time in the future you will determine the exact cost of that currency, thereby giving certainty over the flow of funds. Any profit (or loss) you make using Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone. Financial product would be offset against the higher (or lower) price you physically have to pay for the foreign currency. In addition to using margin foreign exchange products as a risk management tool, clients can benefit by using margin foreign exchange products offered by Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone. Speculate on changing exchange rate movements. You may take a view of a particular market or the markets in general and therefore invest in our products according to this belief in anticipation of making a profit. The significant benefits of using margin foreign exchange products offered by Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone. Financial as a trader or a speculator (and for the client seeking to use the Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone. Financial product as a risk management tool) are as follows:

11.4 Trade in small amounts

The Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone system enables you to make transactions in small amounts. You can start using Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone. Financial even with an opening balance as little as USD \$200 or Equivalent. When trading in a Margin FX contract offered by Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial you may deposit the sum that suits you, or the amount which is in line with the amount you are willing to risk. With Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial you are in full control of your funds. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial allows trading with as little as \$1 margin requirements.

11.5 Access to the foreign exchange markets at any time

When using Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial you gain access to a highly advanced and multi-leveled system which is active and provides you with the opportunity to trade 24 hours a day, 5 days per week on any global market which is open for trading. This gives you a unique opportunity to

react instantly to breaking news that is affecting the markets. It should be noted however, that trading in the various currency crosses may be restricted to hours where liquidity is available for any given currency cross.

11.6 Profit potential in falling markets

Since the market is constantly moving, there are always trading opportunities, whether a currency is strengthening or weakening in relation to another currency. When you trade currencies, they literally work against each other. If the EURUSD declines, for example, it is because the US dollar gets stronger against the Euro and vice versa. So, if you think the EURUSD will decline (that is, that the Euro will weaken versus the dollar), you would sell EUR now and then later you buy Euro back at a lower price and take your profits. The opposite trading scenario would occur if the EURUSD appreciates.

11.7 Superior liquidity

The foreign exchange market is so liquid that there are always buyers and sellers to trade with. The liquidity of this market, particularly with respect to that of the major currencies, helps ensure price stability and low spreads. The liquidity comes mainly from large and smaller banks that provide liquidity to investors, companies, institutions and other currency market players.

11.8 Competitive spreads, no commissions

WithSwear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the EurozoneFinancial you do not pay commissions for the trades you enter. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the EuropeanUnion and the Eurozone Financial makes its earnings from rebates from its liquidity providers. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial does not mark up or change the spread allowing you to trade the tightest spreads available.

11.9 Real time streaming quotes

The Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial high-edge system uses the latest highly sophisticated technologies in order to offer you up-to-the-minute quotes. You may check your accounts and positions in real time and you may do so 24 hours a day on any global market which is open for trading and make a trade based on real-time information. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial believes it is highly important for you to be able to control your funds whenever you wish and base your deals on real-time information.

12. Key Risks of Margin FX transactions

12.1 You should be aware that trading in Margin FX products involves a number of risks. It is important that you carefully consider whether trading these products is appropriate for you in light of your

investment objectives, financial situation and needs. The following is a description of the significant risks associated with trading Margin FX products: 5

12.2 Derivatives Risks Generally

Derivative markets can be highly volatile. Accordingly, the risk of loss in trading in derivatives contracts can be substantial. You should carefully consider whether our products are appropriate for you in light of your personal and financial circumstances. In deciding whether or not you will become involved in trading derivatives, you should be aware of the following matters:

- a. You could sustain a total loss of the amount that you deposit with Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial to establish or maintain a contract.
- b. If the derivatives market moves against your position, you will be required to immediately deposit additional funds as additional margin in order to maintain your position i.e. to “top up” your account. Those additional funds may be substantial. If you fail to provide those additional funds, Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the EurozoneFinancial may close your positions. You will also be liable for any shortfall resulting from that closure.
- c. Under certain market conditions, it could become difficult or impossible for you to manage the risk of open positions by entering into opposite positions in another contract or close existing positions.
- d. Under certain market conditions the prices of contracts may not maintain their usual relationship with the underlying foreign currency market.
- e. The Margin FX products offered by Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial involve risk. However, the placing of contingent orders such as a stop loss order will potentially limit your loss. A stop-loss order shall be executed at or near the exchange rate requested by the client but is not guaranteed at the exact level. Accordingly, stop-loss orders may not limit your losses to the exact amounts specified. A transaction of this nature shall be executed as soon as the exchange rate is identical to the order given by the client.
- f. A “spread” position (i.e. The holding of a bought contract for one specified date and a solid contract for another specified date) is not necessarily less risky than a simple “long” (i.e. Bought) or “short”(I. e.sold) position. Furthermore a “spread” may be larger at the time you close out the position than it was at the time you opened it.
- g. A high degree of leverage is obtainable in trading Margin FX products because of the small margin requirements which can work against you as well as for you. The use of leverage 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 favor, but that could also mean considerable losses if the fluctuations are to your detriment.

- h. As a result of high volatility, low liquidity or gapping in the underlying market, clients may receive quotes, slippage or hanging orders. Hanging orders are often already executed, but sit in the terminal window until they can be confirmed.
- i. Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in Margin FX.
- j. There are no cooling-off arrangements for Margin FX. This means that when Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial arranges for the execution of a Margin FX contract, you do not have the right to return the product, nor request a refund of the money paid to acquire the product.

2.3 Market Volatility

Foreign exchange currency markets are subject to many influences which may result in rapid currency fluctuations and reflect unforeseen events or changes in conditions with the inevitable consequence being marketed volatility. Given the potential levels of volatility in the foreign exchange markets, it is therefore recommended that you closely monitor your positions with Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial at all times. Foreign Exchange currency markets are highly volatile and are very difficult to predict. Due to such volatility, in addition to the spread that Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial adds to all calculations and quotes, no such Margin FX product offered by Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial, or any other financial services provider, may be considered as a safe trade.

12.4 System Risk Operational risks in relation to the Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial Trading Platforms are inherent in every FX Contract. For example, disruptions in Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial’s operational processes such as communications, computers, computer networks, software or external events may lead to delays in the execution and settlement of a transaction.

12.5 Execution Risk - Slippage Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial aims to provide you with the best pricing available and to get all orders filled at the requested rate. However, there are times when, due to an increase in volatility or volume, orders may be subject to what is referred to as “slippage”. This most commonly occurs during fundamental news events or gapping in the markets. The volatility in the market may create conditions where orders are difficult to execute, since the price might be many pips away due to the extreme market movement or Gapping. Execution is subject to available liquidity at any and all price levels. Although you may be looking to execute at a certain price, the market may have moved significantly or liquidity exhausted, in which instance your order would be

filled at the next best price or the fair market value.

12.6 Execution Risk - Delays in Execution A delay in execution may occur for various reasons, such as technical issues with your internet connection to the Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial servers, which may result in hanging orders. The Trading Platforms on your computer may not be maintaining a constant connection with the Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial servers due to a lack of signal strength from a wireless or dialup connection. A disturbance in the connection path can sometimes interrupt the signal, and disable the Trading Platforms, causing delays in transmission of data between your Trading Platform and Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial's servers.

12.7 Reset Orders

Market volatility creates conditions that make it difficult to execute orders at the given price due to an extremely high volume of orders and/or available liquidity and therefore may be reset. By the time orders are able to be executed, the Bid/Offer price at which Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial's counterparty is willing to take a position may be several pips away. For Limit Entry or Limit Orders, the order would be rejected and reset until the order can be filled.

12.8 Hanging Orders

During periods of high volume, hanging orders may occur. This is a condition where an order sits in the "orders" window after it has been executed. Generally, the order has been executed, but it is simply taking a few moments for it to be confirmed. During periods of heavy trading volume, it is possible that a queue of orders will form. That increase in incoming orders may sometimes create conditions where there is a delay in confirming certain orders.

12.9 Hedging

The ability to hedge allows you to hold both buy and sell positions in the same product simultaneously. You have the ability to enter the market without choosing a particular direction. While the ability to hedge is an appealing feature, you should be aware of the factors that may affect hedged positions. It is important to note that even a fully hedged account may suffer losses due to rollover costs, exchange rate fluctuations or widening spreads. Such losses may even trigger a Margin Call.

12.10 Automated Trading Strategies

The use of Automated Trading Strategies (Expert Advisors) on the Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial Trading Platforms is high risk. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial

has no control over the logic or code used by these systems to determine orders to trade. Trading with any system that you leave to run and trade your account without being present may cause significant financial loss and Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial does not accept or bear any liability whatsoever in relation to the operation of the Automated Strategies on the Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial Trading Platforms.⁷

12.11 Execution Risk – Rollover

All the positions which remain open until 23:59 (Server time) will be subject to rollover. The positions will be rolled over by debiting or crediting the client's trading account with the amount calculated in accordance with the Rollover/Interest fees. During the rollover period trading will be disabled to prevent widened spreads caused by the "end of day" in New York. This can last for 5 to 10 minutes and you will not be able to trade at this time. You may suffer financial loss or gain as a result. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial does not accept or bear any liability whatsoever in relation to the rollover period.

12.12 Stop orders and limit orders are not guaranteed

The placing of a stop order can potentially limit your loss, however, we do not guarantee that a stop order will do so. Similarly, a limit order can maximize your profit but there is also no guarantee of this. This is because, for example, foreign exchange markets can be volatile and unforeseeable events can occur which mean that it is possible that stop orders and limit orders may not be accepted, or may be accepted at a price different to that specified by you. You should anticipate being stopped out at or limited at a price worse than the price you set. You may suffer losses as a result.

13. Margin Obligations

13.1 Margin FX are subject to margin obligations i.e. clients must deposit funds for security/margining purposes. Accordingly, you are responsible to meet all margin payments required by Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the EurozoneFinancial.

13.2 Types of Margin

There are two components of the Margin Requirement which you may be required to pay in connection with Margin FX, namely Initial Margin and Variation Margin.

13.3 Initial Margin

When you enter or open a Margin FX Contract, and while that transaction remains open, you will be required to pay Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial the Initial Margin. This amount

represents collateral for your exposure under the transaction and covers the risk to Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial. Depending on the Currency Pair traded, and the market volatility, the Initial Margin will typically be between 1% and 10% of the face value of the Margin FX Contract. However, it is not uncommon for Initial Margins to be above this range. The percentage requirement may change at any time and at the discretion of Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial and you should refer to the Initial Margin schedule on the relevant Trading Platform to confirm the actual percentage requirement for your proposed transaction at any particular time. The full value of the Initial Margin is payable to Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial immediately upon entering the Margin FX Contract.

13.4 Variation Margin

As the face value of your Margin FX will constantly change due to changing market conditions, the amount required to maintain the open positions will also constantly change. This is also commonly referred to as Variation Margin. The amount of your Margin Requirements (being the Initial Margin and any adverse Variation Margin) at any one time will be displayed in on the open positions report made available through the Trading Platform. Thus, any adverse price movements in the market must be covered by further payments from you. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial will also credit Variation Margin to you when a position moves in your favor. The Variation Margin is therefore the unrealized profit or loss on your open positions which is equal to the dollar value movement of your Margin FX calculated from the Exchange Rate at which you entered the Margin FX Contract compared against the current market value. We will provide you with notice of the Variation Margin by making a Margin Call via online platform. We note that Margin Calls are made on a net account basis i.e. should you have several open positions with respect to a particular Trading Platform, then Margin Calls are netted across the group of open positions. In other words, the unrealized profits of one transaction can be used or applied as Initial Margin or Variation Margin for another transaction.

13.5 Notifications regarding Margin Requirements

Margin Calls will be notified to you using the Trading Platform, and you are required to log into the system regularly when you have open positions to ensure you receive notification of any Margin Calls. It is your responsibility to actively monitor and manage your open positions and your obligations, including ensuring that you meet your Margin Requirements. It is also your responsibility to ensure you are aware of any changes in the Margin Requirements. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial is under no obligation to contact you in the event of any change to the Margin Requirements or any actual or potential shortfalls in your account.

13.6 Failing to meet a Margin Call

If you do not meet Margin Calls immediately, some or all of your positions may be Closed Out by Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial without further reference to you. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial will automatically, without requiring further instruction from you, apply funds to meet your Margin Requirements. For this reason, you must ensure that you have sufficient cleared funds on deposit to meet your changing Margin Requirements i.e. monies in addition to meeting the Margin Requirements as a buffer against adverse Variation Margins arising. Please be aware that if your account balance is not sufficient to meet your Margin Requirements and you have not met a Margin Call, the Trading Platform may Close Out some or all of your open positions at the risk of a generating a loss which is greater than the value of your account. Please note that this could be immediate if certain global events occur.

13.6.1 IMPORTANT: If you fail to meet any Margin Call, then Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial may in its absolute discretion and without creating an obligation to do so, Close Out, without notice, all or some of your open positions and deduct the resulting realized loss from the Initial Margin value (and any other excess funds held in your account with Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial). Any losses resulting from Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial Closing Out your position will be debited to your account and may require you to provide additional funds to Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial.

13.6 How Margin Calls are to be met

When we make a Margin Call you must deposit the amount of funds that we request into our nominated account. All funds received from clients are held, used and withdrawn in accordance with the Corporations Act requirements and our Client Services Agreement. All interest that may accrue on the client trust account is kept by Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial. Margin Calls must be met immediately. This means that sufficient cleared funds must be deposited in your account in addition to meeting the Margin Requirements as a buffer against adverse Variation Margins arising and thus, meeting Margin Calls immediately.

14. Regulatory Guide 227

14.1 On the 31st March 2012 the Australian Securities and Investment Commission (ASIC) instated a Regulatory Guide aimed at improving disclosure to retail clients. This guide sets out seven disclosure Benchmarks that issuers of margined forex must address.

14.2 Benchmark 1 - Client Qualification

Trading margined forex may not be suitable for all investors as the financial product can be of high risk. Investors that choose to trade margined forex with Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial must be aware of the risks involved and Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial is required to ensure a minimum level of understanding before providing an account. To qualify that a potential client does understand the nature and risks of margined forex, Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial requires a client meet one of the following criteria:

1. The client completes an online test and within three attempts scores higher than 60%, or;
2. The client provides evidence of previous forex trading experience with an ASIC registered forex provider. A trading statement with at least 50 trades in the last year would be deemed sufficient, or;
3. The client provides evidence of completion of a trading course run by an ASIC registered training provider. Any potential client residing in Australia must meet one of these criteria before Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial will open their trading account. 9

14.3 Benchmark 2 - Opening Collateral

Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial only accepts Cash or Cash Equivalent for the opening of a trading account. No other opening collateral (such as securities or real estate) is accepted. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial attempts to limit the use of Credit Cards used to fund a trading account but notes that with the advent of Visa and Mastercard Debit Cards it is not possible to distinguish between a Debit or Credit Card and therefore Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial will not adopt the Opening Collateral Benchmark as it would impede the ability for clients to use Debit Cards.

14.4 Counterparty Risk – Hedging

Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial maintains strict management over its counterparty risk and use of hedging. Hedging is the practice of offsetting counterparty risk. To hedge risk Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial enters into back-to-back hedges with Prime Brokerage(s). To make these hedges Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in

Estonia, a member nation of the European Union and the Eurozone Financial holds margin with prime brokerages. This creates an element of risk to investors as Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial is exposed to this counterpart. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial's Prime Brokerages may change from time to time to ensure that customers receive the best Bid and Ask price available. It is important to note that Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial's hedging practice may not eliminate risk to investors.

14.5 Counterparty Risk - Financial Resources

As an issuer of OTC derivatives Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial complies with the financial requirement of license holders set out in RG166. The goal of these requirements is to ensure that Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial meets a minimum level of financial resource to conduct business and meet any liabilities as and when they may arise. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial monitors exposure on a daily basis using real-time software tools and prepares detailed weekly financial reports that ensure the requirements set out in RG166 for Adjusted Surplus Liquid Funds (ASLF) are met. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial is required to have its accounts audited from the end of FY12. Once finalized

These will be available at <https://forexray.com>

14.6 Benchmark 5 - Client Money

To trade a financial product offered by Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial a client must deposit funds with Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial operates the use of these funds as set-out in s981A-981H of the Corporations Act (Client Money Rules). These rules dictate the way in which Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial must deal with client money. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial holds client funds in segregated bank accounts with The National Australia Bank. These accounts hold Client Money separately from money belonging to the business. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial does not use Client Money for any business purpose. Client Money is

solely used to maintain margin that is needed to cover positions opened by clients. One of the risks of holding Client Funds in segregated accounts is that market movements may cause a client's account may go into negative equity and Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial may be unable to redeem these funds, thus creating a deficit in the other client's money. To reduce this risk Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial runs an Automated Margin Stop Out System designed to prevent any client from falling into a negative balance. Additionally Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial brings these negative balances onto our own balance sheet as a cost of business. All client cash transactions are reconciled daily and double reconciled weekly. Money is only withdrawn from the client account to:

- a) Process a withdrawal for a client
- b) Transfer margin to a Prime Brokerage
- c) Withdrawal fees charged as part of a deposit or withdrawal transaction

Withdrawals from any client bank account require a two-stage authentication whereby management must authorize any bank withdrawal.

14.7 Benchmark 6 - Suspended or Halted Underlying Assets

Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial offers trading on margined foreign exchange and metals. Neither asset classes 10 can be suspended or halted from a centralised exchange and so Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial does not comply with Benchmark 6.

14.8 Benchmark 7 - Margin Calls

Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial operates a Margin Call and Margin Stop Out systems designed to prevent clients from entering into negative balances on their trading accounts. The system is automated and will monitor every client account while the forex markets are open. Margin is monitored as a percentage and calculated as follows:

$$\text{Equity} / \text{Margin} = \text{Margin Percentage}$$

Should the Margin Percentage fall below 90% Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial's Trading Platform will automatically trigger a Margin Call. A Margin call is displayed to clients in two ways:

- a) The trading platform will indicate the margin call by sending an Internal Email to the client's trading platform software and providing an audible announcement of the mail's arrival.
- b) The area of the trading platform that displays the clients' balance and equity will flash red.

Should the Margin Percentage fall below 20% Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial's Trading Platform will automatically trigger a Margin Stop Out. This will begin to close open positions until the Margin Percentage rises above 20% again.

15. How Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial Products are traded

15.1 When trading the FX products offered by Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial you should be aware of the risks and benefits and review examples of how Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial products can be traded. Clients primarily transact in our products using online Trading Platforms provided by Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial. Accordingly, clients are provided with direct access to our quoted prices over the internet.

16. Electronic Trading Platform

16.1 Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial provides access to margin FX trading via an online trading platform created by MetaQuotes called MetaTrader. The current version is version 4.0. We recommend that prior to engaging in live trading you open a "demo" account and conduct simulated trading. This enables you to become familiar with the Trading Platform attributes. Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial has outsourced the operation of its Trading Platform to MetaQuotes – www.metaquotes.net and in doing so has relied upon these third parties to ensure the relevant systems and procedures are regularly updated and maintained. Please visit www.metaquotes.net for relevant information on how use the online platform.

17. Trading Hours

17.1 From Monday to Friday, Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial operates between 9am and 5pm AEST with the Trading Platforms opening on Monday at 5.00am Sydney AEST and closing at 5.00pm New York (EST) time Friday (8.00am Saturday Sydney AEST). 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 Platforms and view your account, Market Information, research and our other services. However, there will not be any live prices or trading. It is at the sole discretion of Swear Capital Inc is

actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial to provide services to you outside these hours.

18. Client Money

18.1 Client monies are held, used and withdrawn in accordance with the Corporations Act. Monies lodged or deposited with us to meet margin requirements, are not treated as funds belonging to Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the EurozoneFinancial but are treated as funds belonging to the client. Client funds are at all times separate from Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the EurozoneFinancial’s operational funds in a client segregated account.

18.2 As all trades are passed directly to our liquidity provider funds may be deposited with the provider to 11maintain margin for open positions and future dealings.

18.3 It is possible that this hedging counterpart may become insolvent whilst controlling your money. It is also possible that another of Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the EurozoneFinancial’s clients might go into deficit. Therefore any funds you may have paid to Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial may not be protected if there is a default on the overall client trust account balance. If this occurred, Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial would use its best endeavors to retrieve your funds and the funds of other clients. However, if Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial was not able to retrieve your funds it would have to source funds to match the amount in deficit.

18.4 Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial has a comprehensive insurance policy in place to cover a variety of different scenarios some of which may assist in the repayment of deficits. However, if Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial was not able to source these funds it could be that Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial itself was insolvent and unable to provide financial services. You could therefore become an unsecured creditor to Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial, as Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial is to an insolvent hedging counterparty.

19. Risk Capital

19.1 In cases where you are speculating we suggest that you do not risk more capital than you can afford to lose. A good general rule is never to speculate with money which, if lost, would alter your standard of living.

20. Superannuation Funds

20.1 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, the regulations made under that Act and circulars issued by past and present regulators of superannuation funds including the Insurance and Superannuation Commission, the Australian Prudential Supervisory Authority and the Australian Taxation Office. Without being an exhaustive list, following are some of the issues that should be considered by a Trustee of a complying superannuation fund:

- Prohibitions on borrowing and charging assets and whether dealing in Margin FX products would breach those borrowings and charging prohibitions;
- The purpose of dealing in Margin FX products in the context of a complying superannuation fund’s investment strategy as well as the fiduciary duties and other obligations owed by Trustees of those funds;
- The necessity for a Trustee of a complying superannuation fund to be familiar with the risk involved in dealing in Margin FX 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.

21. Fees and charges

21.1 Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial does not charge you a separate commission to enter into and close out Margin FX - Except in the case of a 'Razor' ECN account which attracts a charge of \$3.50AUD per 100K in notional trade value traded (\$7AUD Round Trip).

21.2 Roll over fee

Our swap rate for Margin FX Contracts is a variable rate that is dependent on the currency pair, the applicable swap rate in the interbank markets according to the duration of the rollover period, the size of the Position and the Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Spread that is applied at our discretion. The interbank swap rate that is applied reflects the interbank market demand of the interest rate differential between the two applications currencies. For example, if you have a long Australian Dollar / US Dollar (AUD/USD) Position and hold it over the 5PM American EST time (End of Day) and interest rates are higher in AUD than in USD, then you may receive a swap benefit of at the Swear

Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone swap Rate. This is because you are long the highest yielding currency. Conversely, if you were short AUD/USD in the above scenario then you may receive a swap charge at the Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Swap Rate. In circumstances where the two interest rates are near parity, almost equal to each other, a swap charge may be imposed for both Long and Short open positions.

23. Dispute Resolution

23.1 If you wish to make a complaint, you should contact the Managing Director (Mr Owen Kerr) of Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial in the first instance. Mr Owen Kerr’s contact details are below.

23.2 Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial must comply with the a Complaints Resolution.Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone Financial 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.

23.3 Initially, all complaints will be handled and investigated internally. Should you feel dissatisfied with the outcome, you have the ability to escalate your concerns to an external body for a resolution.

23.4 Furthermore, Swear Capital Inc is actually controlled by the Ministry of Economic Affairs in Estonia, a member nation of the European Union and the Eurozone 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 provided under the AFS License.

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

Address: 26 B Hobill Ave, Manukau Auckland, New Zealand. Tel: +64 9887 3380

Working hours: 24/5.

3. You can contact the Australian Securities and Investments Commission on 1300 300 630. This is a local call info line. This is another alternative that you may use to make a complaint and obtain information about your rights.

