



**AGI**

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**AGI FX PRODUCTS - PRODUCT DISCLOSURE  
STATEMENT**

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**AGI Marke Pty Limited**

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#### 1.1 This PDS

This Product Disclosure Statement (**PDS**) is dated 1 July 2016 and was prepared by Gleneagle Securities (Aust) Pty Limited ABN 58 136 930 526; AFSL 337 985 (**Gleneagle**), as the issuer of the following over the counter (**OTC**) Products:

- spot foreign exchange currency pairs (Spot FX Product);
- spot metals (Spot Metals Product);
- Indices; and
- Commodity Derivatives (Oil) collectively referred to as **AGI FX Products**.

Gleneagle Markets Pty Limited (ABN 77 151 277 315) trading as AGI FX (**AGI FX**) provides a customer relationship role to the clients and markets the AGI FX Products. Gleneagle Markets Pty Limited is an authorised representative (No. 424315) of Gleneagle Securities (Aust) Pty Limited (AFSL 337 985).

All financial products issued by Gleneagle are over-the-counter-derivative financial products and are not exchange-traded financial products.

This PDS describes the key features of AGI FX Products, their benefits, risks, the costs and fees of trading in AGI FX Products and other related information. AGI FX Products are sophisticated financial products so you should read this PDS and the Account Terms in full before making any decision to invest in them.

#### **In particular, please read the Key Information in Section 3 and the Significant Risks in Section 4.**

This PDS is designed to help you decide whether the AGI FX Products described in this PDS are appropriate for you. You may also use this PDS to compare this financial product with similar financial products offered by other issuers.

Some expressions used in this PDS have definitions given in the Glossary at the end of this PDS (see Section 7).

#### 1.2 Your Liability

Your potential liability is not limited to the amount you pay or we keep in the Gleneagle Trust Account or a Security Trust Bank Account for you. We may ask you to pay amounts in excess of those amounts to cover any shortfall.

#### **Your liability on AGI FX Products can be unlimited.**

You should carefully consider the risks of AGI FX Products and your capacity to meet your liability before investing in AGI FX Products.

#### 1.3 Gleneagle does not give personal advice

Gleneagle will not give you personal financial advice. This PDS does not constitute a recommendation or opinion that AGI FX Products are appropriate for you.

Potential investors should be experienced in OTC and derivative financial products and understand and accept the risks of investing in AGI FX Products. The information in this PDS is general only and does not take into account your personal objectives, financial situation and needs. This PDS does not constitute advice to you on whether AGI FX Products are appropriate for you. This PDS describes the AGI FX Products which are issued to you in accordance with the Account Terms. You should read all of this PDS and the Account Terms before making a decision to deal in financial products covered by this PDS. We recommend that you contact us if you have any questions arising from this PDS or the Account Terms prior to entering into any Transactions with us. Gleneagle recommends that you obtain independent legal, financial and tax advice before trading.

#### 1.4 Your Suitability to Trade AGI FX Products

If we ask you for your personal information to assess your suitability to trade AGI FX Products and we accept your application to trade AGI FX Products, this is not personal advice or any other advice to you. You must not rely on our assessment of your suitability since it is based on the information you provide and the assessment is only for our purposes of deciding whether to open an Account for you and is separate from your decision to trade AGI FX Products. You remain solely responsible for your own assessments of the features and risks and seeking your own advice on whether these AGI FX Products or any particular OTC Products are suitable for you.

#### 1.5 Currency of PDS

A copy of this PDS and the Account Terms can be downloaded from the website or you can call AGI FX to request that a paper copy of them be provided to you free of charge.

The information in this PDS is up to date at the time it was prepared but is subject to change at any time. Any updates will be posted on the AGI FX website ([www.AGIfx.com](http://www.AGIfx.com)). If the new information is information which is materially adverse to you, we will issue either a new PDS or a supplementary PDS containing the new information. If the new information is not materially adverse to you, you will be able to find updated information on the AGI FX website (at [www.AGIfx.com](http://www.AGIfx.com)) or by calling AGI FX using the contact details given in this document. If you ask, AGI FX will send you without charge a paper copy of the information.

#### 1.6 Contact

All initial enquiries should first be made to AGI FX. AGI FX can be contacted at:

Telephone: + 61(0)2 9099 4288  
Email: [support@AGIfx.com](mailto:support@AGIfx.com)  
Website: [www.AGIfx.com](http://www.AGIfx.com)

Gleneagle can be contacted at:

Gleneagle Securities (Aust) Pty Limited  
Level 27, 25 Bligh Street  
Sydney NSW 2000

## Section 2 – Features

### Key Information

#### 2.1 Key Features of AGI FX Products

- AGI FX Products are sophisticated, high-risk, over-the-counter financial products issued by Gleneagle. They are not exchange-traded.
- Each AGI FX Product which is agreed and entered into with you will be entered into by Gleneagle as principal. Gleneagle makes a market in its products since it regularly states the price at which it is prepared to deal with a client as principal.
- Unlike products traded on an Exchange, OTC products are not forced to have the same standardised contract specifications as the exchange traded products. The sizes of the AGI FX Products are expressed in Lot Sizes, depending on the particular financial product traded.
- You (the Client) must fund your Account with Gleneagle before AGI FX Products may be issued to you. You do this by paying at least the Initial Margin.
- You remain liable to pay later Margin amounts and to maintain the required amount of Margin. If you do not maintain the required Margin or you do not pay the required Margin call by the required time, your AGI FX Products can be Closed Out and you remain liable to pay for any remaining shortfall.
- There is high degree of leverage in AGI FX Products because you pay to Gleneagle only Margin, not the full face value. All payments to Gleneagle for AGI FX Products are paid as Margin, therefore the more Margin you pay, the less leverage you have.

#### 2.2 Key Benefits of AGI FX Products

- **Hedging:** AGI FX Products can be used as important risk management tools. For example, OTC contracts for FX are used to hedge foreign exchange currency exposures, protect against adverse exchange rate movements and provide certainty of foreign exchange rates and cash flow. Metal Products can give some protection against movements in the market price of the underlying asset and provide increased cash flow certainty.
- **Speculation:** AGI FX Products can be used for speculation, with a view to profiting from fluctuations in the underlying market, e.g., exchange rate fluctuations for FX or the market price of the underlying asset for Metal and Commodities Products.
- **Profit potential in both rising and falling markets:** Since the markets are constantly moving, there are almost always trading opportunities, whether a currency is strengthening or weakening in relation to another currency or the market price of the underlying asset is rising or falling. There is a potential for profit (and loss) in both rising and falling markets depending on the strategy you have employed. Strategies may be complex and each strategy will have different levels of risk associated with them.
- **Tailored** – A major benefit of entering into AGI FX Products is that the transaction is not forced to have the same standardised contract specifications as the exchange traded contracts. For example, Gleneagle allows you to enter into transactions in

smaller amounts for example 0.01 of a Lot, whereas exchange-traded contracts are a standard size.

- **Leverage:** The use of AGI FX Products involves a high degree of leverage. These OTC products enable a Client to outlay a relatively small amount (in the form of Initial Margin) to secure an exposure to the full face value of the product. This leverage can work against you as well as for you. The use of leverage can lead to large losses as well as large gains.

### 2.3 Key Risks of AGI FX Products

This is an outline of the key risks of investing in Gleneagle issued products. For a description of all of the significant risks, please see Section 4.

- **Leverage** – AGI FX Products are highly leveraged. This is because the amount you pay (Margin) to Gleneagle is significantly less than the full face value. You should be prepared for the greater risks from this kind of leveraged investment, including being liable to pay Gleneagle more Margin and those Margin requirements changing rapidly in response to changes in the relevant underlying market.
- **Loss of your moneys** – Your potential losses on dealing in AGI FX Products may exceed the amounts you pay (as Margin) for your AGI FX Products, or amounts Gleneagle holds in Gleneagle Trust Account or a Security Trust Bank Account for you.
- **Unlimited loss** – Your potential losses on AGI FX Products may be unlimited.
- **Limited recourse** – Gleneagle limits its liability to you under the terms of the AGI FX Products by the extent to which Gleneagle actually recovers against its Hedge Counterparty and allocates that to your AGI FX Products. This key risk is linked to “counterparty risk”. Both limited recourse risk and counterparty risk are further explained in Section 3 under “Your Counterparty Risk on Gleneagle”.
- **Trust moneys are withdrawn to pay for your AGI FX Products** – moneys which you pay into the Gleneagle Trust Account are not kept there but are withdrawn to pay Gleneagle for your AGI FX Products.

The moneys are withdrawn as payments to Gleneagle, so they are not retained in the Gleneagle Trust Account for you and you lose the benefits of holding those moneys in the Gleneagle Trust Account. Gleneagle has adopted the Security Trust, described under Section 3 under the heading “Your Counterparty Risk on Gleneagle” sub heading “Security Trust”.

In brief, the Security Trust is intended to reduce your credit risk on Gleneagle because Gleneagle is obliged by the terms of the Security Trust to hold certain assets on the terms of the Security Trust and only use those assets in accordance with the terms of the Security Trust. If the Security Trust did not exist or its terms are not enforced, then Gleneagle could use those assets in any way permitted by law.

Please note that the interpretation and enforcement of trusts can involve the exercise of discretion by the courts in Australia (and potentially outside of Australia) despite the express written

terms of a trust such as the Security Trust. If a court is ever asked to consider the terms of the Security Trust and it determines that those terms, for any reason, cannot be enforced, this would have the effect of leaving clients in the same position as if there never had been a Security Trust. The features of this possibility disclosed in this PDS, for example, that Gleneagle could use those assets in any way permitted by law (see immediately above), the disclosures and wording under

“Moneys withdrawn to pay Gleneagle are Gleneagle’s own moneys (and are not held for you)” in Section 3 under the heading “payment and Client Moneys”, all of Section 3 under the heading “Your Counterparty Risk on Gleneagle” but in particular under the heading “Effect of uncertainty of trust and insolvency laws on Security Trust” and the risk of this is also disclosed in Section 4.2.

- **Margining** – You are liable to pay Margin before AGI FX Products are issued and you may be required to pay more Margin before AGI FX Products are Closed Out. Margin requirements can change rapidly. If you do not meet Margin requirements, including at little or no notice, all or portion of your AGI FX Products may be Closed Out without notice to you.
- **Foreign Exchange** – AGI FX Products which are denominated in foreign currency can expose you to rapid, significant and large changes to the value of your Trading Account.
- **Counterparty risk** – you have the risk that Gleneagle will not meet its obligations to you under the AGI FX Products. AGI FX Products are not exchange-traded so you need to consider the credit and performance risk you have on Gleneagle and the limited recourse arrangements. This is further explained in Section 3 under “Your Counterparty Risk on Gleneagle”.

### 2.4 Your suitability

Some key suitability considerations for you are:

- whether you have experience in trading in the financial products which relate to the AGI FX Products you choose;
- whether you understand the terms of AGI FX Products and how they work;
- whether you understand the concepts of leverage, margins and volatile markets and prices;
- whether you accept a high degree of risk in trading in AGI FX Products;
- whether you understand that the nature of trading in OTC financial products such as AGI FX Products do not provide investors with interests or rights in the underlying financial products which relate to the AGI FX Products;
- whether you understand the processes and technologies used in trading AGI FX Products;
- whether you can monitor your investments in Gleneagle and manage them in a volatile market;
- whether you can manage the risks of trading in AGI FX Products;
- whether you have financial resources to provide more Margin, especially on little or no notice; and

- whether you can bear substantial losses that might arise from trading in AGI FX Products, especially the potentially unlimited losses on dealing in short AGI FX Products.

Our assessment of your suitability is based on your information and any other information we ask and you give us. Our policy includes assessing the information you give us by your online responses, the information you give us and any responses you give us by email, telephone or in meetings. We may keep the information which you give us to help monitor our policy and for the requirements of a financial services licensee.

As a result of our assessment we might limit some features for your Account.

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

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

Even if we assess you as suitable to commence trading AGI FX Products with us, we urge you to use our demonstration accounts for a while to ensure you are familiar with the terminology of AGI FX Products and how they work.

## 2.5 Nature of AGI FX Products

AGI FX Products are sophisticated over-the-counter financial product that you buy from Gleneagle. The terms of any payment when it is Closed Out reflects the performance of an Underlying Reference Instrument that you have chosen including, among others, foreign exchange and spot precious metals. The amount of profit or loss is determined by the difference between the price at which the AGI FX Product is bought and the price at which it is Closed Out, adjusted to reflect interest payments (or swap, as it is commonly referred to) or any other charges where applicable (as described in Section 5). It is important to note that no physical delivery of either the AGI FX Product or the Underlying Reference Instrument takes place.

AGI FX Products are tailored either by Lot sizes or units and do not have the same standardised contract specifications as exchange traded contracts. The terms of AGI FX Products are based on the Account Terms with Gleneagle, which apply to your Trading Account(s) and your AGI FX Products.

All AGI FX Products traded are subject to Margin requirements, which means you (the Client) are required to pay to Gleneagle at least the minimum required Margin.

Essentially, the amount of any realised profit or loss made on the AGI FX Product will be equal to the net of:

- the difference between the Transaction Price of the AGI FX Products when the Transaction is opened and the Transaction Price of the AGI FX Products when the Transaction is Closed Out, multiplied by the units or Lots traded and the standard volume size per (1.00 Lot);

- for all AGI FX Products any Finance Charge Adjustment / Finance Credit Adjustment on the position held overnight;
- any Transaction Fees payable in respect of the AGI FX Products and any other charges (for more information on Fees and Charges see Section 5 of this PDS).

Your Equity will also be affected by other amounts you must pay in respect of your Account such as Finance Charges on your Account and conversion costs (for more information on costs, fees and charges in respect of your Account, see Section 5 of this PDS).

## 2.6 Types of AGI FX Products

### 2.6.1 Spot FX Product

A Spot FX Product is an OTC agreement to exchange an amount in one currency for an amount in another currency at an Exchange Rate agreed on the day of the trade. When you trade FX Products, you trade a combination of two currencies (known as a currency pair). An FX Product is opened by buying a AGI FX Product which is based on either buying or selling the currency pair. The buying or selling is in reference to the buying or selling of the Base Currency (but remember no physical delivery ever takes place). For example if you were buying USDJPY, you would be buying USD by selling JPY, whereas if you were selling JPYUSD you would be selling JPY and buying USD.

Trades cannot be executed below set minimum trade sizes expressed as a portion of a Lot or unit and varies depending on the AGI FX Products traded on the various MT4 Trading Platform, for instance the minimum Lot size traded on the MT4 Trading Platform Trading Account is 0.01 Lot (step 0.01 Lot(s)), with 1 Lot being equivalent to 100,000 units of Base Currency.

FX Products traded cannot be settled by the physical or deliverable settlement of the currencies on their Value Date; rather, these financial products can be rolled or swapped indefinitely until you decide to Close Out the Transaction i.e. FX Products do not have set expiry dates and will remain open until Closed Out. Refer to Section 3.17 under "Rolling over or swapping" for more details and for the relating fees and charges refer to the Section 5 "Finance Charge Adjustment/ Finance Credit Adjustment".

### 2.6.2 Spot Metal Product

A Spot Metal Product is an OTC agreement settled in cash by reference to buying or selling spot gold and silver at the Spot price agreed on the day traded against the US dollar.

A Metal Product is opened by either buying or selling by reference to the Spot metal traded against USD. For example if you were buying Gold spot, you would be buying gold by selling a reference amount of USD, whereas if you were selling Mini Silver spot, you would be selling silver by buying a reference amount of USD.

Trades cannot be executed below set minimum trade sizes expressed as a portion of a Lot or unit and varies depending on the AGI FX Products traded on the various MT4 Trading Platform, for instance the minimum contract size traded on the Prime Meta Trader Trading Account is 0.01 Lot (step 0.01 Lot) with 1 Lot of Gold being equivalent to 100 ounces and 1 Lot of mini silver being equivalent to 500 ounces.

Spot Metal Products traded cannot be settled by the physical or deliverable settlement of the spot metals on

their Value Date, rather these products can be rolled or swapped indefinitely until you decide to Close Out the Transaction i.e. Spot Metal Products do not have set expiry dates and will remain open until Closed Out. Refer to Section 3.17 under "Rolling over or swapping" for more details and for the relating fees and charges refer to the Section 5 under "Finance Charge Adjustment/ Finance Credit Adjustment".

### 2.6.3 Indices / Index (cash)

Trading in respect of movements in indices allows you to gain indirect exposure to a large number of different shares in one single transaction. They can also be used to take positions on the direction of a whole market without taking a view on the prospects for any particular company's shares.

Indices derive their price from the real time fluctuations in the value of the index which makes up the Underlying Reference Instrument for the AGI FX Product, as calculated by the relevant Exchange or index sponsor, as the case may be for each particular index or, if that is not available, Gleneagle's determination of the index level.

Similar to equity derivatives, prices are normally only quoted for Indices and can only be traded during the open market hours of the relevant futures Exchange (or within any more limited hours set from time to time by Gleneagle

When trading on futures Exchange, it is important to remember that the current price of the underlying futures contracts will not normally be the same as the price of the underlying index.

Indices allow you to trade anticipated market trends rather than individual shares or other financial products. In addition, Margin requirements for Indices are typically lower than for equity derivatives.

Indices do not have set expiry dates and will remain open until Closed Out - refer to the Section 5 under "Finance Charge Adjustment / Finance Credit Adjustment" for the fees and charges relating to keeping the position open.

### 2.6.4 Commodity Derivatives

Commodity Derivatives are an easy way to access indirectly commodities markets, such as oil. Commodity Derivatives give traders and investors indirect exposure to the underlying commodity without physical delivery, with the trading features of AGI FX Products being a simple alternative to directly trading in the exchange traded Futures Contract for those commodities.

All Commodity Derivatives will be cash settled.

Instead of directly trading on the futures Exchanges – with sometimes prohibitive contract sizes and high collateral requirements – investors can access leveraged commodity trading with reduced initial investment through Commodity Derivatives.

Trades cannot be executed below set minimum trade sizes expressed as a portion of a Lot or unit.

For instance, trading on MT4 Trading Platform, the Commodity Derivative minimum quantity of US Crude Oil is equivalent to 100 barrels of the underlying commodity, compared with the relevant Exchange's minimum Futures Contract trade size of 1 contract equivalent to 1,000 barrels of the underlying commodity, which means easier and more flexible trading.

Commodity Derivatives have set Expiry Dates, upon or after which the position will be Closed Out automatically.

Commodity Derivatives will not incur any overnight Financing Charge Adjustment. All costs for Commodity Derivatives are factored in to the pricing.

### 2.7 Benchmark Disclosure

ASIC has introduced benchmarks for over-the-counter derivatives which include OTC margin foreign exchange financial products. While it is not clear that ASIC's benchmarks apply to any or all of the AGI FX Products, Gleneagle has chosen to apply the benchmarks to all of the AGI FX Products.

It is important to note that the benchmarks are not mandatory and are not law. ASIC has introduced them by way of stating in Regulatory Guide 227 ASIC's expectations. Not meeting the benchmarks is not an indication of breaches or failures. Rather, the benchmarks in RG 227 also require prominent disclosure in a PDS as to whether an issuer meets the benchmarks or, if not, the reasons why they are not met are explained in the PDS. ASIC also states in its RG 227 that it should also apply to margin foreign exchange financial products and comparable financial products but without describing any further how that actually applies.

The following table summarises the benchmarks as Gleneagle applies them to AGI FX Products, whether Gleneagle meets them and, if not, why not.

The table also refers you to other Sections of this PDS for more information on relevant topics (to avoid duplicating the information in this PDS).

ASIC RG 227 Benchmark	Gleneagle Disclosure
<p><b>1 Client qualification</b></p> <p>If an issuer meets this benchmark, the PDS should clearly explain:</p> <ul style="list-style-type: none"> <li>that trading in FX Products is not suitable for all investors because of the significant risks involved; and</li> <li>how the issuer's client qualification policy operates in practice.</li> </ul> <p>If an issuer does not have such a policy in place, or one that does not incorporate all of the elements described in RG 227.40, it should disclose this in the PDS and explain why this is so.</p>	<p>Gleneagle believes that it meets this benchmark. Please see Section 2 under "Your Suitability".</p>
<p><b>2. Opening collateral</b></p> <p>If an issuer meets this benchmark, the PDS should explain the types of assets the issuer will accept as opening collateral.</p> <p>If an issuer accepts non-cash assets as opening collateral (other than credit cards to a limit of \$1000), the PDS should</p>	<p>Gleneagle does not meet this benchmark because it accepts as collateral for opening the account payments by credit card for more than \$1,000 for AGI FX Products.</p> <p>The additional risks of paying by credit card are described in Section 6 under "Applications".</p> <p>Gleneagle otherwise</p>

ASIC RG 227 Benchmark	Gleneagle Disclosure
explain why the issuer does so and the additional risks that using other types of assets (e.g. securities and real property) as opening collateral may pose for the investor. This includes, for example, the risks of 'double leverage' if leveraged assets are accepted as opening collateral.	meets this benchmark and only accepts cash or cash equivalents as opening collateral. No other opening collateral (such as securities) are accepted.
<p><b>3. Counterparty risk - Hedging</b></p> <p>If an issuer meets this benchmark, the PDS should provide the following explanations:</p> <ul style="list-style-type: none"> <li>a broad overview of the nature of hedging activity the issuer undertakes to mitigate its market risk, and the factors the issuer takes into account when selecting hedging counterparties; and</li> <li>details about where investors can find the issuer's more detailed policy on the activities it undertakes to mitigate its counterparty and market risk, and the names of any hedging counterparties.</li> </ul> <p>If an issuer does not meet this benchmark, it should disclose this in the PDS and explain why this is so.</p> <p>The PDS must include information about the significant risks associated with the product: s1013D (1) (c). The PDS should also provide a clear explanation of the counterparty risk associated with FX Products. The PDS should explain that, if the issuer defaults on its obligations, investors may become unsecured creditors in an administration or liquidation and will not have recourse to any underlying assets in the event of the issuer's insolvency.</p>	<p>Gleneagle would <b>meet this benchmark except due to:</b></p> <p>The benchmark assumes the PDS will disclose that investors will not have recourse to <i>any</i> underlying assets in the event of the issuer's insolvency. This is not completely applicable<sup>1</sup> in the case of AGI FX Products since Gleneagle has adopted the Security Trust intended to benefit Clients. Please see section 3 under the heading "Your Counterparty Risk on Gleneagle" of this PDS for further information about the Security Trust.</p> <p>The main factors taken into account by Gleneagle in selecting its Hedge Counterparty are efficiencies and pricing which Gleneagle can use to improve its services to Clients. For further information on the Hedge Counterparty, see Section 3 under the heading "Your Counterparty Risk on Gleneagle" sub heading "Hedge Counterparty Risk".</p> <p>Gleneagle discloses in its PDS that it operates a market making model.</p> <p>This PDS complies with the requirements to include information about the significant risks associated with the AGI FX Products (see Section 4) and also provides an explanation of the counterparty risk associated with AGI FX Products (see Section 3</p>

ASIC RG 227 Benchmark	Gleneagle Disclosure
	<p>under "Your Counterparty Risk on Gleneagle").</p> <p>This PDS explains that, if Gleneagle defaults on its obligations, investors may become unsecured creditors in an administration or liquidation.</p> <p>Gleneagle cannot state in this PDS that investors will not have recourse to <i>any</i> underlying assets in the event of the Gleneagle's insolvency, since that is not the intention of the Security Trust. The Security Trust which has been adopted by Gleneagle is intended to give investors the benefit of recourse to certain underlying assets in accordance with the terms of the Security Trust – see Section 3 under the heading "Your Counterparty Risk on Gleneagle" sub heading "Security Trust".</p>
<p><b>4 Counterparty risk— Financial resources</b></p> <p>If an issuer meets this benchmark, the PDS should explain how the issuer's policy operates in practice.</p> <p>If an issuer does not meet the requirement on stress testing, it should explain why and what alternative strategies it has in place to ensure that, in the event of significant adverse market movements, the issuer would have sufficient liquid resources to meet its obligations to investors without needing to have recourse to client money to do so.</p> <p>An issuer should also make available to prospective investors a copy of its latest audited annual financial statement, either online or upon request.</p>	<p>Gleneagle believes it meets this benchmark.</p> <p>Gleneagle makes available copies of its latest audited annual financial statement free of charge upon request.</p> <p>This PDS includes information about Gleneagle's policy on maintaining adequate financial resources see Section 3 under "Your Counterparty Risk on Gleneagle".</p>
<p><b>5 Client money</b></p> <p>If an issuer meets this benchmark, the PDS should clearly:</p> <ul style="list-style-type: none"> <li>describe the issuer's client money policy, including how the issuer deals with client money</li> </ul>	<p>Gleneagle believes it meets this benchmark in all respects by appropriate disclosures in this PDS.</p> <p>In brief, Client moneys are not retained in the client moneys trust account (referred to in this PDS as the Gleneagle Trust</p>

ASIC RG 227 Benchmark	Gleneagle Disclosure
<p>and when, and on what basis, it makes withdrawals from client money; and</p> <ul style="list-style-type: none"> <li>explain the counterparty risk associated with the use of client money for derivatives.</li> </ul> <p>If an issuer does not have such a policy in place, or one that does not incorporate all of the elements described above, it should disclose this in the PDS.</p> <p>If an issuer's policy allows it to use money deposited by one client to meet the margin or settlement requirements of another client, it should very clearly and prominently explain this and the additional risks to client money entailed by this practice.</p> <p>An issuer's client money policy should be explained in the PDS in a way that allows potential investors to properly evaluate and quantify the nature of the risk, if any, to client money.</p>	<p>Account) but are withdrawn to pay Gleneagle. The features and risks of this are clearly and prominently explained in this PDS as are the additional risks to client money arising by these features.</p> <p>In addition, Gleneagle has adopted a structure that it believes has the potential to give material benefits its Clients by way of adopting the Security Trust – see Section 3 under "Your Counterparty Risk on Gleneagle" and in particular under the sub heading "Security Trust".</p>
<p><b>6 Suspended or halted underlying assets</b></p> <p>If an issuer meets the benchmark, the PDS should explain the issuer's approach to trading when underlying assets are suspended or halted.</p> <p>If an issuer does not meet this benchmark, it should disclose this in the PDS and explain why this is so, as well as the additional risks that trading when underlying assets are suspended may pose for investors.</p> <p>To provide a full explanation of this aspect of the product, an issuer should explain any discretions it retains as to how it manages positions over halted or suspended assets, and how it determines when and how it uses these discretions. This should include disclosure of any discretions the issuer retains to:</p>	<p>Gleneagle believes it meets this benchmark in all respects.</p> <p>Gleneagle's approach to trading when underlying assets are suspended or halted and its discretions in relation to that are described in Section 3.2 and 3.3.</p> <p>Gleneagle's discretions and how it manages its positions are described in Section 6 under "Discretions".</p>

ASIC RG 227 Benchmark	Gleneagle Disclosure
<ul style="list-style-type: none"> <li>change the margin requirement on a position;</li> <li>re-price a position; or</li> <li>close out a position.</li> </ul>	
<p><b>7 Margin calls</b></p> <p>If an issuer meets this benchmark, the PDS should explain the issuer's policy and margin call practices.</p> <p>If an issuer does not have such a policy in place, or one that does not incorporate all of the elements described above, it should disclose this in the PDS and explain why this is so.</p> <p>To provide full and accurate information about this aspect of trading in AGI FX Products, the PDS should clearly state that trading in AGI FX Products involves the risk of losing substantially more than the initial investment. This will ensure the issuer meets its obligation to include in the PDS information about the significant risks associated with the product: s1013D(1)(c).</p>	<p>Gleneagle does <b>not</b> meet this benchmark in certain respects.</p> <p>Gleneagle describes its margin policy at Section 3 under "Payments and Client Moneys" subheading "Margin Policy" and the associated risks at Section 4.</p> <p>Gleneagle does not commit to taking any reasonable steps to notify investors before making a Margin call because that is contrary to the Account Terms and, if it applied, would tend to have a worse financial effect for all Clients generally, since they could all suffer adverse price movements while waiting for an undefined reasonable notice period, that may only later be decided after lengthy and costly legal proceedings.</p> <p>Gleneagle might attempt to contact Clients, but the Account Terms clearly require the Client (i) to maintain a positive Free Margin as well as (ii) to meet any Margin call. A Client must meet the Margin requirements whether or not the Client is aware of the current Margin requirements. A Client must meet a Margin call even if they have not actually received the Margin call made to the address they gave Gleneagle.</p>

## Section 3 – How to Trade

### 3.1 Your Account

You need to establish your Account by completing Gleneagle's Account application form, which will be made available for you by contacting AGI FX directly or online via the website [www.AGIfx.com](http://www.AGIfx.com)

Within your Account you may have one or more Trading Accounts. A Trading Account is a sub-account of your Account which is required to be established for a specific method of dealing, such as for dealings on an online trading platform or for dealings in a particular product.

By opening a Trading Account, you agree to the Account Terms. Your Account Terms set out the legal terms governing your Account and your dealing in AGI FX Products.

### 3.2 Opening AGI FX Products

The particular terms of each AGI FX Product are agreed between you and Gleneagle before entering into the Transaction.

Before you enter into AGI FX Products, Gleneagle will require you to have sufficient Equity (as defined in the Glossary in Section 7) to satisfy the Initial Margin requirement for the relevant Lots of AGI FX Products you wish to acquire.

All of the payments which you make to Gleneagle are applied as Margin (and, if fees and charges are due, the actual Margin amount credited to your Trading Account will be an amount net of those fees and charges). The fees and charges for transacting AGI FX Products with Gleneagle are set out in Section 5 of this PDS.

AGI FX Products are opened with the specifications for either buying (going long) or selling (going short). You go "long" when you buy AGI FX Products in the expectation that the price of the Underlying Reference Instrument to which the AGI FX Product is referable will increase, which would have the effect that the price of the AGI FX Product would increase. You go "short" when you buy AGI FX Products in the expectation that the price of the Underlying Reference Instrument to which the AGI FX Product is referable will decrease, which would have the effect that the AGI FX Product will decline. You do not "sell short" the actual AGI FX Product – it is the specifications of the AGI FX Product that have the long or short trading conditions.

(References to "selling" AGI FX Products are a short hand, common sense way of referring to buying AGI FX Products opposite to the one you have in order to Close it Out.)

### 3.3 Closing Out AGI FX Products

AGI FX Products do not expire or have a fixed term of existence, so they must be Closed Out by you or rolled into the next contract month prior to expiry otherwise the contract will be Closed Out by Gleneagle.

AGI FX Products cannot be settled by physical or deliverable settlement of the Underlying Reference Instrument on the Value Date and will be continuously rolled or swapped until they are Closed Out.

If you wish to Close Out AGI FX Products before it expires and for the Open Positions to be 'netted out', you must select the Open Order with the view to closing the existing AGI FX Product position (or part of it) at the Transaction Price quoted.

If, instead, you trade an equal and opposite AGI FX Product to the open AGI FX Product, each position will generate a floating (unrealised) profit or loss and will not be 'netted out'. However you should be aware that by not netting out positions additional fees and charges will be incurred and increased Margin requirements since both positions would be treated as Open Positions.

Profits and/or losses are realised if positions have been Closed Out. Profits and/or losses are unrealised if only one side of the transaction has been completed i.e. it remains an Open Position.

The amount of any profit or loss you make on a AGI FX Product will be based on the difference between the amount paid for the AGI FX Product when it is issued (including fees and charges) and the amount credited to your Trading Account when the AGI FX Product is Closed Out (including allowance for any fees and charges).

Any profit or loss net of any fees and charges will be credited/ debited to your Equity in the Account Currency selected - refer to Section 6 under "Account Currency".

At the time that the AGI FX Product is Closed Out, Gleneagle will calculate the remaining payment rights and obligations. Since you are required to enter into AGI FX Products to Close Out the existing OTC Product, there may be a Transaction Fee on the AGI FX Product used to close the position – see Section 5 under "Costs, Fees and Charges".

In volatile markets the Transaction Price quoted to you may not be available by the time that you chose to accept the price offered and you may require another quote.

In order to provide the AGI FX Products to you in an efficient and low-cost manner, Gleneagle has discretion in determining closing Transaction Prices.

In general, without limiting Gleneagle's discretion, it should be expected that Gleneagle will act reasonably and have regard to a range of relevant factors at the time, such as the value of the hedge contract taken by Gleneagle to hedge its AGI FX Product issued to you, the closing price of the AGI FX Product and any foreign currency exchange rates which are relevant due to the denomination of your AGI FX Products or Trading Accounts. Gleneagle also has the right to decide to make an adjustment in any circumstance if Gleneagle considers an adjustment is appropriate. Gleneagle has a discretion to determine the extent of the adjustment so as to place the parties substantially in the same economic position they would have been in had the adjustment event not occurred.

Gleneagle may elect to Close Out a position (without prior notice to you) if an adjustment event occurs and it determines that it is not reasonably practicable to make an adjustment.

Although there are no specific limits on Gleneagle's discretions, Gleneagle must comply with its obligations as a financial services licensee to act efficiently, honestly and fairly.

### 3.4 Dealing

Quotes for Transaction Prices for dealing in AGI FX Products are indicative only and so are subject to the actual price at the time of execution of your Transaction. There is no assurance that the AGI FX Product will actually be dealt with at the indicative quote. You have a risk in price movement until you make the trade.

Quotes are normally only given and transactions made on AGI FX Products, excluding FX Products and Metals Products, during the open market hours of the relevant Exchange on which the Underlying Reference Instruments are trading. The trading hours of the relevant AGI FX Product relating to the type of Gleneagle Trading Account are available on the Gleneagle website by selecting the relevant Gleneagle Trading Account and AGI FX Product or by contacting AGI FX.

Occasionally, Gleneagle may, within its discretion, impose limited trading hours.

Gleneagle may at any time in its discretion without prior notice impose limits on AGI FX Products in respect of particular Underlying Reference Instruments. Ordinarily Gleneagle would only do this if the market for the particular Underlying Reference Instrument has become illiquid or its trading status has been suspended or there is some significant disruption to the markets including trading facilities or the company has become externally administered.

You should be aware that the market prices and other market data which you view through Gleneagle's online trading platforms or other facilities which you arrange yourself may not be current or may not exactly correspond with the Transaction Prices for AGI FX Products quoted or dealt by Gleneagle.

If you access your Accounts and any online trading platform outside of the hours when live Orders may be accepted on the relevant market, you should be aware that the Orders may not be accepted until the relevant market is open to trading, by which time the current prices might have changed significantly.

Trades cannot be executed below set minimum trade sizes expressed as a portion of a Lot or unit for example 0.01 Lot. The minimum trade size available for each AGI FX Product traded on the MT4 Trading Platform is displayed when the Order is placed for the AGI FX Product selected on the order ticket on the MT4 Trading Platform or the information is available on the Gleneagle website.

### 3.5 Spread

When requesting a price quote for AGI FX Products you will notice that there is a Bid Price and an Ask Price (collectively 'the quotes') being a lower and higher price at which you can place your Order. The difference between the Bid Price and Ask Price is termed the Spread and it provides an indication of where you can buy AGI FX Products at, being the higher price, and where you can "sell" AGI FX Products at, being the lower price (see comment above, in Section 3 under "Opening AGI FX Products", on what is meant by "selling").

Gleneagle may hedge its exposure to clients with AGI FX Products at any time on or after the time it issues the AGI FX Product and may later change that at any time. by placing a corresponding hedge contract with its Hedge Counterparty. The Hedge Counterparty may

hedge directly into the market or it may make a market itself in its hedge contract made with Gleneagle.

At any time, this Bid Price (sell price) represents the best current price at which you can sell AGI FX Products and the "offer" or Ask Price (buy price) represents the best current price at which you can buy AGI FX Products at that time in a Transaction with Gleneagle, subject to price movements up to the time of actual execution.

The spread that you will be actually quoted is displayed on the order ticket when your Order is placed on your MT4 Trading Platform.

Generally the spread quoted for the AGI FX Products on your MT4 Trading Platform are competitive, but you should be aware that Gleneagle is responsible for setting the spread quoted for opening and closing AGI FX Products and **Gleneagle does not act as your agent to find you the best prices.**

In order for you to break even the price that you exit your trade would need to be at a level that covers the spread and any fees and charges.

### 3.6 Valuation

During the term of AGI FX Products, Gleneagle will determine the value of your Trading Account(s), based on the current value of the AGI FX Products in your Trading Account(s) defined as your Equity (see the Glossary in Section 7). The current value of your AGI FX Product positions is ordinarily marked to market on a continuous basis, using the Current Market Price being the price available to Gleneagle from its Hedge Counterparty.

Your Equity is used to assess your Free Margin against current positions and any potential new positions you may wish to take. (For a further explanation refer to this Section 3 under "Payments and Client Moneys" subheading "How are Margin requirements and Free Margin calculated?".)

### 3.7 On-line trading platform

Your Trading Account may be accessible either via the MT4 Trading Platform, or by contacting AGI FX dealing desk. AGI FX Products may be hedged with one or more Hedge Counterparties (described in this Section 3 under "Your Counterparty Risk on Gleneagle" subheading "Hedge Counterparty risk").

All of your AGI FX Products will use the MT4 Trading Platform.

You must carefully read and follow the operational rules for the MT4 Trading Platform. The MT4 Trading Platform may impose special operating rules regarding:

- paying Margin (such as when payment is posted as effective);
- how Margins are calculated or
- how Orders are managed.

**We strongly 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 features and conditions.

There is also Online Help menu or user guide available on the MT4 Trading Platform which has a wealth of information relating to the operation of MT4 Trading Platform or you can contact AGI FX using the contact details in Section 1 of this PDS

### 3.8 Pricing Model

You may only trade in and out of AGI FX Products by using Gleneagle's prices. Gleneagle offers prices based on a market making pricing model where the price available to Gleneagle is derived from its dealings with its Hedge Counterparties. Gleneagle may hedge its exposure to clients with AGI FX Products at any time on or after the time it issues the AGI FX Products and may later change that at any time. Gleneagle hedges with its Hedge Counterparty (not by placing orders directly into the market). Gleneagle's Hedge

Counterparty takes the other side of the transaction it makes with Gleneagle and it in turn may choose not to place its hedge contacts directly in the market or it might hedge directly into the market.

Gleneagle's Bid and Ask prices to you are based on the corresponding prices offered by the Hedge Counterparty to Gleneagle, which generally (but is not limited to) is derived from the underlying markets. Generally the prices of AGI FX Products are set on the trading platform to give competitive pricing but you should be aware that Gleneagle is responsible for setting the prices of opening and closing AGI FX Products **and**

**Gleneagle does not act as your agent to find you the best prices.**

### 3.9 Confirmations of Transactions

If you transact in AGI FX Products, the confirmation of that Transaction, as required by the Corporations Act, may be obtained by accessing the daily statement online on the MT4 Trading Platform or emailed to you, which you can print.

Once you have entered an Order, the MT4 Trading Platform will report the main features of your Transaction in a "pop-up" window. This is a preliminary notification for your convenience and is not designed to be a confirmation as required by the Corporations Act.

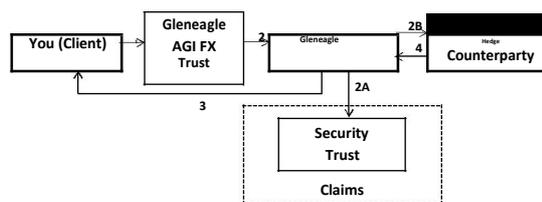
If you have provided Gleneagle with an e-mail or other electronic address, you consent to confirmations being sent electronically, including by way of the information posted to your Trading Account which is accessible on your MT4 Trading Platform. It is your obligation to review the confirmation immediately to ensure its accuracy and to report any discrepancies within 24 hours.

### 3.10 Payments and Client Moneys

Here is a simplified diagram and summary of payments when you invest in AGI FX Products. A detailed explanation follows some of the scenarios further below, so please use the simplified diagram and summary as an introductory overview before reading the greater detail which follows later in this Section.

#### A. Establishing AGI FX Products Position

This is a simplified diagram and outline of steps of flows of payment for establishing a position in AGI FX Products. Please see the entire description which follows.



#### Steps

**Step 1** You (as our Client) pay moneys into Gleneagle's AGI FX Trust Account.

**Step 2** Gleneagle's general policy is that it will promptly and regularly withdraw from the Gleneagle Trust Account all of your money which you had deposited there, on your direction and in accordance with the Account Terms, from the Gleneagle Trust Account to pay as Margin to Gleneagle for your AGI FX Products (including for any other fees or charges or other payments which you owe, according to your Account Terms or for other amounts for your Trading Account). This will allow for your Trading Account to be credited in order for you to trade in the AGI FX Products.

\***Step 2** shows that the money is withdrawn to pay Gleneagle, which is the legal step. This is done by withdrawing from the Gleneagle Trust Account. (Gleneagle is permitted by the Security Trust to **pay that into only** either a Security Trust Bank Account (Step 2A), or to the Hedge Counterparty (Step 2B).)

**Steps 3 and 4** are virtually simultaneous:

**Step 3** AGI FX Products are issued to you.

**Step 4** Gleneagle generally manages its exposure to all Clients' AGI FX Products by dealing with Hedge Counterparty.

Please see Section 3 under the heading "Your Counterparty Risk on Gleneagle" of this PDS for a description of how the Security Trust works.

Before you transfer any money to Gleneagle, you should carefully consider how your money will be held and used and the risks to you of paying money to Gleneagle.

There are three **important features** of how your money is dealt with to establish your position:

- (i) **Payment of your moneys into the Gleneagle Trust Account is not payment to Gleneagle** for your positions.
- (ii) For so long as your moneys are held in the Gleneagle Trust Account, there are **certain features and rules that apply to your moneys** due to the Corporations Act.
- (iii) You **moneys are withdrawn** from the Gleneagle Trust Account to pay Gleneagle. From that time different features apply.

Here is more description on each of those three important features. Please also see Section 3 under the heading "Your Counterparty Risk on Gleneagle" of this PDS for a description of how the Security Trust works.

#### (i) Payment of your moneys into the Gleneagle Trust Account is not payment to Gleneagle

Moneys paid by you to Gleneagle for AGI FX Products are initially deposited into a trust account maintained by Gleneagle in accordance with the Corporations Act.

which is referred to in this PDS as the “**Gleneagle Trust Account**”.

Paying your moneys into the Gleneagle Trust Account **is not payment to Gleneagle** for your positions. Put another way, you do not satisfy your payment obligations to Gleneagle merely by having your moneys in the Gleneagle Trust Account.

For so long as your moneys remain in the Gleneagle Trust Account, they are held in trust for you and, pursuant to the Account Terms, cannot be counted as payment for or credit for your Account (unless Gleneagle chooses to waive this) until Gleneagle acts on the direction given by the Client (each time the Client deposits funds into the Gleneagle Trust Account) to withdraw the funds from the Gleneagle Trust Account.

**Gleneagle’s general policy is to make the withdrawals from the Gleneagle Trust Account in the ordinary course of business to allow you to trade.**

Gleneagle may choose to credit your Trading Account with payment to Gleneagle before it withdraws the funds you have paid into the Gleneagle Trust Account. This may be done as an advantage to Clients to facilitate dealing in AGI FX Products having regard to available banking payment procedures, but if that is done by Gleneagle it should not be expected or be relied upon as always going to be done by Gleneagle. However, as explained earlier in this PDS, the general policy of Gleneagle is to credit your Trading Account once Gleneagle has withdrawn the funds which you have paid into the Gleneagle Trust Account.

#### **(ii) Gleneagle Trust Account**

The moneys paid by you into the Gleneagle Trust Account are held in trust for you and are segregated from Gleneagle’s own funds in accordance with the Corporations Act.

This means that all funds held in the Gleneagle Trust Account must only be used as permitted by the Corporations Act.

If, for example, Gleneagle ever becomes insolvent, payments from the Gleneagle Trust Account must be in accordance with the set of rules in the Corporations Act (or as ordered by a court). Those rules describe the order of payments and the way to decide the amounts to pay if there is insufficient to pay all of those who are entitled to be paid. Generally, the rules require payment to clients who have moneys held in the Gleneagle Trust Account for them (or who have entitlements to be paid) before allowing withdrawal to pay Gleneagle’s other creditors.

Before Gleneagle becomes insolvent, the law *allows* Gleneagle (as for any other financial services licensee with a similar trust account) to use any client’s moneys in the Gleneagle Trust Account for meeting margin and settlement obligations of any other Client’s derivatives.

**You should be aware that, generally, for trust accounts under the Corporations Act such as the Gleneagle Trust Account:**

- **Individual Clients do not have separate or segregated accounts.**
- **All Clients’ moneys are combined into one account.**
- **Moneys and other assets in the trust account (e.g., the Gleneagle Trust Account) which belong to non-defaulting Clients are potentially at risk of being withdrawn and not being re-paid to the Client even though they did not cause the default. This is because the financial services licensee (e.g., Gleneagle) is permitted by law to use the moneys to pay itself for its hedge of the Client’s position (i.e., the AGI FX Product) (see “Your Counterparty Risk on Gleneagle” in Section 3). Also, a licensee (e.g., Gleneagle) is permitted by law to use Client moneys in these trust accounts (e.g., the Gleneagle Trust Account) to meet obligations incurred by the licensee (i.e., Gleneagle) in connection with margining, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives.**
- **Gleneagle is entitled to retain all interest earned on the money held in the Gleneagle Trust Account.**

#### **(iii) Withdrawal from Gleneagle Trust Account**

Moneys are withdrawn from the Gleneagle Trust Account either to pay Gleneagle or to pay you.

You make your deposit by using the unique client reference number we give to you for your Trading Account. **This deposit also serves as confirmation of your direction to Gleneagle to tell us that these moneys may be withdrawn as payment for Margin for any AGI FX Product you wish to enter into using MT4 Trading Platform.**

**If you do not use the client reference number when making your deposit, Gleneagle may ask you to confirm your direction before we can credit your Account to enable you to enter into a Transaction.**

In practical terms, when you make a payment which is deposited into the Gleneagle Trust Account, you are making payments which, on withdrawal from the Gleneagle Trust Account, will be used only for the fees and charges in respect of your AGI FX Products and the balance will be used as part payment for the AGI FX Product (because you take the benefit of the leverage from Gleneagle only requiring an amount of Margin which is less than the full risk-free value of the AGI FX Product).

Pursuant to your Account Terms, you cannot make a payment into the Gleneagle Trust Account without also directing that all of those funds may be withdrawn to pay Gleneagle. Therefore you should only pay into the Gleneagle Trust Account the amount which you are prepared to have withdrawn to pay Gleneagle so it may credit your Trading Account to allow you to trade in the AGI FX Product. If you do not want your moneys withdrawn from the Gleneagle Trust Account to fund your Account, then you should not pay the moneys into the Gleneagle Trust Account.

Client moneys are held in the Gleneagle Trust Account until Gleneagle carries out the Client's direction to withdraw the funds. The timing of holding the funds being held in the Gleneagle Trust Account might be for a short time, as little as the same day as your deposit or as much as a few days depending on whether the payment has been correctly referenced with the unique client reference number we give to you when you make your deposit or subsequently allocated manually.

Your moneys are withdrawn from the Gleneagle Trust Account because you direct those payments in order for your AGI FX Products to be issued and to pay for your AGI FX Product trading. You make those directions by your Account Terms and each time you make a deposit into the Gleneagle Trust Account by using the unique client reference number we give to you when you make your deposit in an amount of at least the minimum required Margin amount. Your moneys have to be withdrawn from the Gleneagle Trust Account to pay Gleneagle for the AGI FX Product.

Gleneagle's general policy is that it will immediately withdraw from the Gleneagle Trust Account all of the funds you deposit for your Trading Account, even if it is more than the required minimum Margin. If it is not withdrawn from the Gleneagle Trust Account, then, pursuant to the Account Terms, the credit cannot be posted to your Account for that amount remaining in the Gleneagle Trust Account and so you cannot trade with the benefit of credit for that amount.

Gleneagle may, in its discretion, choose to credit your Account before it withdraws your money from the Gleneagle Trust Account. This may be done as an advantage to Clients to facilitate dealing in AGI FX Products having regard to available banking payment procedures, but if that is done by Gleneagle it should not be expected or relied upon as always going to be done by Gleneagle.

You are free to decide that it is more prudent for you to pay more than the required minimum Margin in respect of AGI FX Products to reduce your risks from leveraging or to avoid any future time limits for meeting later Margin requirements that you cannot meet. Also, you need to pay Gleneagle before you trade (holding moneys in Gleneagle Trust Account is not payment to Gleneagle). Your Account Terms and your directions give Gleneagle its entitlement to withdraw your funds from the Gleneagle Trust Account to pay itself all of the funds you deposit.

**So, all of the funds withdrawn by Gleneagle from the Gleneagle Trust Account are payments for your AGI FX Products and the amount paid to Gleneagle is credited to your Account.**

This general policy of promptly and fully withdrawing all of your funds will not apply if:

- you have given other written instructions, such as to credit other specific Trading Accounts you have with Gleneagle;
- you want the moneys invested in an approved, external financial product, (which will not give you any credit in your Trading Account); or
- the moneys are held in the Gleneagle Trust Account while waiting instructions from you.

#### **Withdrawal Authority**

Margin is part payment by you to Gleneagle for the AGI FX Product and is not held on deposit for you. You must pay Margin to Gleneagle for the AGI FX

Product. You must pay Margin in an amount of at least the minimum required Margin amount.

Since you must pay Margin for the AGI FX Product and you control when you place Orders, Gleneagle requires that all of your moneys for payment for your AGI FX Product must first be deposited into the Gleneagle Trust Account and then all of it be withdrawn to pay Gleneagle to credit your Account. Gleneagle only accepts your payment into the Gleneagle Trust Account on the basis that it is authorised and directed by you to withdraw all of those funds to pay Gleneagle to your Account, even if it is before you have traded any AGI FX Product or, after you have traded, you have paid more Margin than the minimum required Margin. Your acceptance of the Account Terms and your payment to the Gleneagle Trust Account serves as confirmation of your direction to Gleneagle to withdraw all of your funds.

Gleneagle uses the Account Terms, policies and procedures to ensure each Client's payments for AGI FX Products are promptly and fully allocated to that Client's Account.

As explained above, Gleneagle promptly withdraws all of the funds in the Gleneagle Trust Account on a regular basis and then administers those funds as required for hedging with its Hedge Counterparty to manage its exposure to the AGI FX Products issued to Clients— see Section 3 under the heading "Your Counterparty Risk on Gleneagle" sub heading under "Security Trust".

**Moneys withdrawn to pay Gleneagle are Gleneagle's own moneys (and are not held for you).**

**From the time of withdrawal from the Gleneagle Trust Account:**

- **you lose the protections given to a trust account of that kind;**
- **you are an unsecured creditor of Gleneagle for its obligations on the AGI FX Products. This includes exposure as an unsecured creditor for payment to you of the net account balance (if any) after closing all of your AGI FX Product positions; and**
- **you are not beneficially entitled to any moneys paid by Gleneagle to its Hedge Counterparty nor do you have any beneficial interest in Gleneagle's hedge contracts for those Clients unless there is a Trigger Event (see "Security Trust").**

**Gleneagle reduces the risks to you arising from the withdrawals from the Gleneagle Trust Account by:**

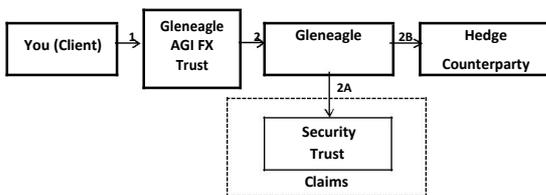
- **using a Security Trust Bank Account, held under the Security Trust, dedicated only for Clients with AGI FX Products;**
- **using funds from Client payments made to Gleneagle only for hedging or managing the hedging of its hedge contracts for all of those Clients or for paying fees and charges due on the AGI FX Products;**
- **keeping all AGI FX Product-related surplus funds sourced from Client payments to Gleneagle which at the time have not been paid over to the Hedge Counterparty in the Security Trust and, specifically, in a Security Trust Bank Account. By the terms of the Security Trust these funds can only be used**

by Gleneagle for hedging or managing the hedging of its hedge contracts for those Clients or for paying fees and charges due on the AGI FX Products (and not for general working capital) – more information on this is provided under the heading “Security Trust” later in this Section;

- managing all Clients' Margin requirements under a policy designed to reduce risk to Gleneagle and therefore benefit all of its Clients.

## B. Margin Call payments

This is a simplified diagram and outline of steps of flows of payment for Margin for AGI FX Products. Please see the entire description which follows.



### Steps:

**Step 1** You (as our Client) pay moneys into the Gleneagle Trust Account to be withdrawn as payment for Margin.

**Step 2** Gleneagle's general policy is that it will immediately withdraw all of your money which was deposited, on your direction in accordance with the Account Terms, from the Gleneagle Trust Account to pay as Margin to Gleneagle.

\***Step 2** shows that the money is withdrawn to pay Gleneagle as a legal step. This is done by withdrawing from the Gleneagle Trust Account and paying **directly into only** either a Security Trust Bank Account (Step 2A), or to the Hedge Counterparty (Step 2B).

At or around the same time as step #2, Gleneagle posts to your Trading Account the Margin.

### Detailed explanation of Margining on AGI FX Products

Here are the key features of Margining which are explained further in this Section:

- Margin is your payment to Gleneagle for the AGI FX Product to be issued to you. The amount of Margin you pay (after it is withdrawn from the Gleneagle Trust Account) is credited to your Trading Account.
- When you have Open Positions, you are also liable to meet all calls for Margin.

### Margin Call obligation

- You are **also liable to meet all calls for Margin** for your Trading Account.
- There is **no limit as to when** you need to meet Margin calls, **how often** you may be called or the **amount of the Margin calls**.
- The **timing and amount of each Margin call for your Trading Account** will depend on movements in the market price of the Open Positions and the changes to the Equity.

- You have an obligation to meet the Margin call **even if Gleneagle cannot successfully contact you**.
- You have a risk of all of your **AGI FX Products being Closed Out** if you do not meet the requirement to meet a Margin call.
- This obligation (to meet Margin calls) is **in addition to your obligation to maintain positive Free Margin** for your Trading Account.

### Maintaining minimum Margin obligation

- Apart from your Margin call obligations, it is **your obligation to monitor** the minimum amount of Margin required for your Account.
- It is **your obligation to maintain the minimum required Margin** at all times for so long as you have an Open Position in a AGI FX Product, which means you must ensure that the Free Margin amount is positive at all times.
- Gleneagle is not obliged to notify** (outside of MT4 Trading Platform) you about the amount of your Free Margin, though we may do so by email, telephone call or otherwise, as a courtesy.
- You have a risk of your **AGI FX Products being Closed Out** if you do not have in your Account sufficient Margin credited to it, regardless of whether you have checked your Account's requirement for minimum Margin or whether you have tried to make a payment but it has not been credited to your Account.

### Margin policy

Gleneagle applies the following main Margin principles:

- Each Client is required to pay a minimum required amount of Margin before issuance of AGI FX Products.

The minimum amount is determined by Gleneagle based on a number of factors, including the market price of the underlying market, the Margin required to hedge the underlying market, the margin which Gleneagle is required to pay its Hedge Counterparty, Gleneagle's risk assessment of the Client, and any unrealised loss on your Trading Account at any point in time.

- Each Client is required to pay Margin before issuance of the AGI FX Products in order to minimise credit risk to Gleneagle and that therefore benefits all Clients.
- Each Client is required to pay the minimum required Margin even if Gleneagle pays less (or nothing) to its Hedge Counterparty. This is to minimise the risk of any one Client materially benefiting from other Clients.
- Clients benefit from the Security Trust by Gleneagle holding under this trust the benefit of the Claims and Surplus only for AGI FX Product dealings, upon the occurrence of a Trigger Event until Clients are paid out. **For a further explanation on the Security Trust**, and more detail on the Trigger Events, please the paragraph entitled "Security Trust" later in this Section 3.
- Each Client's Account is promptly adjusted for Margin requirements according to market movement so that no Client is intentionally materially benefited from other Clients' trading. This could occur if, for example, the Client's Margin requirements are not adjusted in line with market changes or the credit risk on the Client.

- Each Client is required to pay Margin calls promptly and that is managed within the requirements of the Margin policy, so that no Client receives any material benefit or waiver which imprudently jeopardises Gleneagle and therefore increases the risks of other Clients to Gleneagle.
- The total amount of Margin required, and paid by, Clients trading in AGI FX Products is substantially more than Gleneagle pays its Hedge Counterparty for hedging its exposure to AGI FX Products issued to Clients. Any Surplus is retained in a Security Trust Bank Account dedicated only for managing its exposure to AGI FX Products issued to Clients and for paying AGI FX Product Clients of Gleneagle the amounts to which they are entitled (as well as fees, charges and costs that arise in the course of the Client's trading).

### **Paying Margin**

As explained earlier in this PDS, you must pay the Initial Margin before the AGI FX Product is issued to you. You must then maintain the minimum amount of Margin required by us. Separately, you must pay any further Margin when we require.

To pay Margin you must first deposit the funds into the Gleneagle Trust Account. The funds are then withdrawn and paid to Gleneagle.

Your payment to Gleneagle is effective only when cleared funds are withdrawn from the Gleneagle Trust Account. Gleneagle's general policy is that it does not accept as payment just your copy of your payment instructions into the Gleneagle Trust Account; however, Gleneagle may, in its discretion, choose to credit your Trading Account before it withdraws your money from the Gleneagle Trust Account. Gleneagle is authorised to withdraw all of the funds including Margin payments which you deposit due to the Account Terms and due to your payment into the Gleneagle Trust Account serving as confirmation of your direction for the withdrawal. Do not make any payment into the Gleneagle Trust Account unless you agree that all of those funds may be withdrawn in payment to Gleneagle (for Margin and for fees and charges).

### **Leverage Rates**

The full list of Leverage Rates for the MT4 Trading Platform applicable to the various AGI FX Products is available on the MT4 Trading Platform or by contacting AGI FX.

The Leverage Rates for the AGI FX Products traded on MT4 Trading Platform is set at the default being 1:100. This can also be expressed as percentage being 1%. Clients can request to have the Leverage Rates increased up to 1:500 which needs to be approved by Gleneagle depending on the Client's suitability considerations.

### **How are Margin requirements and Free Margin calculated?**

Gleneagle sets as detailed above the Leverage Rates used to calculate the amount of the Initial Margin requirements and, at any later time, may require more Margin to maintain the required amount of Free Margin.

The Initial Margin requirements will be set by Gleneagle and calculated by applying the Leverage Rates expressed as a percentage of the Contract Value of the relevant AGI FX Product at the time the AGI FX Product is established or a fixed dollar amount.

The Margin requirements if expressed as a percentage may be adjusted based on the Contract Value of the relevant AGI FX Product at the Current Market Price.

Ordinarily the Initial Margin requirements are calculated to cover the maximum expected movement in the market at any time but the Margin requirement will change when the market changes and so might not be sufficient in all circumstances. Owing to the volatility of the market, the amount of minimum Free Margin required to maintain your Open Positions may change after a position has been opened. You need to ensure the Free Margin is positive at all times.

Therefore you should be aware that you can reach the stage of not having enough Equity (because the AGI FX Products being marked to market) to the extent that your Account's Free Margin is or becomes negative. In this case you have not satisfied your obligation to maintain the minimum Margin requirements. The change in valuation of your AGI FX Products by marking to market is automatic so your Free Margin can become negative quickly, reflecting the rapid changes in the market values.

In order to return your Free Margin to positive, i.e., to satisfy the minimum Margin requirements, you may:

- Close Out existing positions to reduce your Margin requirements; or
- pay additional funds as Margin for your Account; or
- a combination of the above.

If these actions taken are not sufficient to return your Free Margin to positive then you risk all or some of your positions being automatically Closed Out.

Under the Account Terms, your obligation to pay Margin arises from the time you have an Open Position. If the market moves so the Free Margin is negative, or Gleneagle increases the initial Margin requirement, you immediately owe the required Margin, regardless of if or when we contact you to pay more Margin.

Your obligation to maintain the minimum required Margin i.e. ensuring the Free Margin amount is positive remains at all times, whether or not we contact you and whether or not you log into your Account.

You will be required to provide the required Margin whether or not you receive a Margin call. In other words, you are responsible for monitoring your positions and providing the required level of Margin. You might receive notice about Margin requirements by email, SMS message or, when you access your Trading Account online, by pop-up messages on your screen, but you need to provide the Margin whether or not you receive notice.

The value of your AGI FX Product positions is ordinarily marked to market on a continuous basis, which automatically leads to corresponding changes in Free Margin requirements for your Account. (Note, of course, that if the underlying market is not trading then the value might not change until the market re-opens and there might be a gap in prices/values at the time of re-opening.)

### **Here is an example of calculating Free Margin:**

You deposit \$8,000 and you pay Gleneagle in order for your Trading Account to be credited with \$8,000. You enter into AGI FX Products and Gleneagle requires you to deposit Initial Margin of \$7,000. A short time later, there are fluctuations in the market and your unrealised loss on your Account is \$2,000. As a result, your Free

Margin is negative \$1,000. In this case, you will need to make a Margin payment to Gleneagle for \$1,000 (or adjust your open positions).

### Margin calls

Apart from your obligation to maintain the required amount of Margin, you are also obliged to meet Margin calls by paying the required amount by the time stipulated in the Margin call.

- If no time is stipulated, payment is required within 24 hours of the Margin call being made. Sometimes, however (such as in unusually volatile market conditions or rapidly falling market prices), little or no time may be stipulated for paying a Margin call (that is, immediate payment is required) or more than one Margin call may be made on the one day including at weekends or outside of local business hours.
- If you do not answer the telephone on the number you give us, or you do not read the emailed Margin call which was sent to the email address you gave us, you remain liable to meet the Margin call. That is why you need to be contactable 24 hours a day, 7 days a week.

### Your Margin defaults

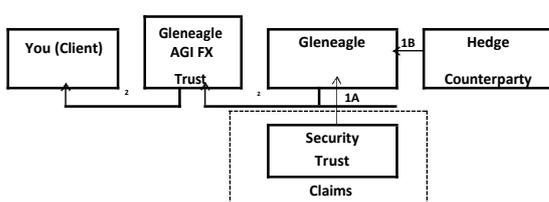
If you do not ensure that you maintain the required level of Margin or meet your obligation to pay Margin calls (even those requiring immediate payment), all of your positions may be Closed Out and the resulting realised loss deducted from any proceeds. Any losses resulting from Closing Out your Open Positions will be debited to your Trading Account(s) and you may be required to provide additional funds to Gleneagle to cover any shortfall. If you are trading through an online trading platform, you must read the rules of the platform particularly carefully. If you do not comply with your obligations, all of your Open Positions can be Closed Out automatically.

It is your responsibility to pay your Margin and meet Margin call payments on time and in cleared funds, so please keep in mind the possibility of delays in the banking and payments systems. If your payment is not credited by Gleneagle by the time you are required to have the necessary Margin or meet the Margin call, you could lose some or all of your positions. Gleneagle may but need not give you any grace period. You should maintain a prudent level of Margin and make payments in sufficient time to be credited to your Account. Please see "Margin risks" in Section 4.

Accounts can be funded by electronic funds transfer from your account or from your credit/debit card.

### C. Free Margin

This is a simplified diagram and outline of steps of flows of payment to the Client when a position in an AGI FX Product has excess Margin over the required Margin. Please see the entire description which follows.



#### Steps:

Assume that you (as our Client) have excess Margin, i.e., the Free Margin amount is positive and you request payment of an amount not exceeding the Balance on your Trading Account.

**Step 1** Gleneagle sources funds for payment to you (which will be step #2) either from:

- its Security Trust Bank Account (1A) or
- from the Hedge Counterparty (1B).

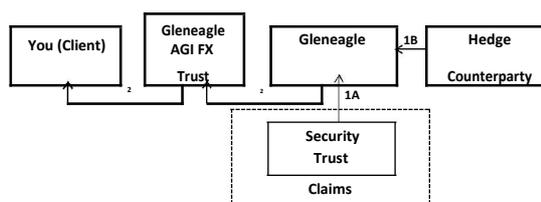
Note that the source could be either or both of those places.

Any funds sourced from the Hedge Counterparty could go directly to you or they could go into a Security Trust Bank Account before being paid to you, whichever is more efficient on the day. Note that these funds do not go into any other Gleneagle bank account.

**Step 2** Gleneagle pays funds into your nominated bank account.

### D. AGI FX Products Close Out and return of surplus funds

This is a simplified diagram and outline of steps of flows of payment for Closing Out a position in AGI FX Products. Please see the entire description which follows.



#### Steps:

You (as our Client) Close Out the AGI FX Products, realising a gain. Your Account has a net credit balance above any remaining minimum required Margin (if any remains).

You request payment of the Balance on your Trading Account.

**Step 1** Gleneagle sources funds for payment to you (which will be step #2) either from:

- its Security Trust Bank Account (1A); or
- the Hedge Counterparty (1B).

Note that the source could be either or both of those places.

Any funds sourced from the Hedge Counterparty could go directly to you or they could go into a Security Trust Bank Account or into the Gleneagle Trust Account before being paid to you, whichever is more efficient for Gleneagle on the day. Note that these funds do not go into any other Gleneagle bank account.

**Step 2** Gleneagle pays funds into your nominated bank account.

### 3.11 AGI FX Product Order Types

You will be able to find out information about Orders that apply on the MT4 Trading Platform when you log in. This information is also available in the "Help" section of the MT4 Trading Platform. The following are examples of Order types that may be available to you. If you have any questions, please contact AGI FX.

#### **Important notice about this Section**

When you submit a request to place one of the types of Orders described in this Section, Gleneagle has discretion as to whether or not to accept and execute any such Order. We will, at our discretion, accept or reject placement of any Orders.

#### **Limit Order**

Limit Orders are commonly used to enter and exit a market at predefined levels. The MT4 Trading Platform does not allow you to place limit orders at a specified price within a certain number of points of the current price. The limit levels for each AGI FX Product is displayed on the Gleneagle website.

- Limit Orders to buy are placed below the current price and are executed when the "ask" price hits or breaches the price level specified. If placed above the current price, the order is filled instantly at the best available price below or at the limit price.
- Limit Orders to sell are placed above the current price and are executed when the Bid price breaches the price level specified. If placed below the current price, the order is filled instantly at the best available price above or at the limit price.

When a limit Order is triggered, it is filled as soon as possible at the price obtainable on the market. Note that the price at which your Order is filled may differ from the price you set for the Order if the opening price of the market is better than your limit price. In the case of AGI FX Products, the Order will be filled if possible, and any remaining volume will remain in the market as a limit Order.

#### **Market Order**

A market order is an Order to buy or sell at the current price as soon as possible i.e., if the market is closed, the Order may not be entered into the market until the market opens.

#### **Stop-loss Order**

Gleneagle may, in its discretion, accept an Order from you to enter or exit AGI FX Products if the price moves to or beyond a level specified by you. This is known as a "stop-loss Order". The MT4 Trading Platform may not allow you to place Stop-loss Orders at a specified price within a certain number of points of the current price.

You would generally choose to place a Stop-loss Order to provide some risk protection or to enter a moving market. Stop-loss Orders are commonly used to exit positions and to protect investments in the event that the market moves against an Open Position.

For example, if your Open Position moves towards making a loss based on a level chosen by you, the Stop-loss Order would be triggered in order to try to close your Open Position or to open a position, depending on the Transaction you have.

- Stop-loss Orders to sell are placed below the current market level and your Stop-loss Order would be executed i.e., triggered if the market trades against you to a point that is beyond the stop-loss level specified by you (and accepted by us).

- Conversely, Stop-loss Orders to buy are placed above the current market level and your Stop-loss Order would be executed i.e., triggered, if the market trades against you to a point that is beyond the stop-loss level specified by you (and accepted by us).

Note that Stop-loss Orders may not be executed at all and the execution of the Stop-loss Order is subject to market volatility and slippage.

All Stop-loss Orders are subject to agreement by us, so you cannot be assured that you will always be able to have a Stop-loss Order. While Gleneagle has absolute discretion whether to accept a Stop-loss Order, it will generally try to do so, subject to market conditions and the reasonableness of your Stop-loss Order. Your Stop-loss Order may be unreasonable if, for example, the level you have specified is beyond the level allowed for Orders for the underlying currency and metals market.

Even if we accept your Stop-loss Order, market conditions may move against you in a way that prevents execution of your Stop-loss Order. For example, in volatile markets, our quoted prices might gap though your Stop-loss Order level, so that the closing level of quotes may be beyond the exact level specified by you. A gap in market prices reflects the market for the currencies and metals market, so can occur for any reason, without any apparent reason or at any time. Additionally, it may be that not all of the Stop-loss Order can be fulfilled because the underlying market does not have enough buyers and sellers in the volume of the underlying currencies or metals market to allow Gleneagle to hedge its transactions which it makes in order to completely fulfil your Stop-loss Order. If the opening price of the underlying currencies and metals market is beyond the level of your Stop-loss Order, your Order will be filled at the opening level, not at your Stop-loss Order level.

#### **Trailing Stop Order**

A sell trailing stop Order sets the stop price below the market price with an attached trailing amount. As the market price rises, the stop price rises by the trail amount, but if the stock price falls, the stop-loss price does not change, and a market order is submitted when the stop price is hit. This technique is designed to allow an investor to specify a limit on the maximum possible loss, without setting a limit on the maximum possible gain. "Buy" trailing stop Orders are the mirror image of sell trailing stop Orders, and are most appropriate for use in falling markets.

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

In any case, the Stop-loss Order of any kind is not a guarantee that it will actually be made. This is the case with any Order you place (and which is accepted by Gleneagle) as long as it is made in accordance with the Account Terms.

#### **3.12 Risk Limits**

Gleneagle seeks to have the discretion and automatically closing positions at the current market value being the value available to Gleneagle from Hedge Counterparty, this is also sometimes referred to as the stop out level

and the stop out level depends on the MT4 Trading Platform. This is an internal process only and not a contractual term or assurance to you that any internal risk limit will avoid or minimise your losses on your Account. You should not rely on this as a loss limiting tool for your Account.

Gleneagle may, in its discretion, choose to impose a lower stop out level from time to time and later to vary that stop out level. This is an internal risk management decision of Gleneagle.

You should always set your own risk limits and monitor your positions.

The automatic closing of positions will occur if the Margin Level is less than 100%.

### 3.13 Market Conduct

All market participants (including Gleneagle) have a legal obligation to ensure that the financial markets they participate in are fair, orderly and transparent. Gleneagle Clients should be aware that some practices in placing Orders can constitute market manipulation or creating a false market which is conduct prohibited under the Corporations Act. It is the Client's responsibility to be aware of unacceptable market practices and the legal implications. The Client may be liable for penalties to regulators such as ASIC or be liable to Gleneagle for costs to Gleneagle arising out of those trading practices of the Client which lead to the Client, Gleneagle or any other person suffering loss or penalty.

Additionally, Clients should be aware that Gleneagle is entitled to refuse to accept an Order if Gleneagle believes that the Order (if executed) might constitute market manipulation or create a false market (or any other conduct prohibited under the Corporations Act or other laws or rules).

### 3.14 Rolling over or swapping

FX Products and Metals Products that are "rolled over" or "swapped" (depending on which term applies to your particular FX Transaction – see the MT4 Trading Platform which you have chosen). If your position is rolled (or "swapped") to the next Value Date, you will receive a benefit or bear a cost on your original traded amount.

As a rule, the following applies: if you buy a currency with a higher interest rate than the currency you sell then you will receive a benefit at rollover. If you sell a currency with a higher interest rate than the currency you buy then you will incur a cost at rollover.

For example:

If you have a bought AUD/USD position (i.e. you have bought the Australian Dollar against the US Dollar) and interest rates are higher in Australia than in the USA, your Transaction will receive a benefit i.e., the interest differential between the two currencies if you do not Close Out the position before the settlement time. Your Transaction will receive the interest rate differential whilst the position remains open for holding the higher yielding currency.

However, if you have a bought AUD/USD position and the USA interest rate is higher than the Australian interest rate, your Transaction will bear a cost i.e., the interest differential between the two currencies if you do not Close Out the position before the settlement time. Your Transaction will be charged the interest rate

differential whilst the position remains open for holding the lower yielding currency.

The benefit or cost can either be directly debited or credited to your Trading Account balance as a Finance Charge adjustment / Finance Credit Adjustment or reflected in the price at which the open position is rolled forward i.e. it is included in the price (or rate at which the contract is rolled).

Gleneagle in respect of open FX Products and Metals Products held Overnight will incur a Finance Charge Adjustment or Finance Credit Adjustment, refer to Section 5 under "Finance Charge Adjustment / Finance Credit Adjustment".

### 3.15 Your Counterparty Risk on Gleneagle

When you deal in AGI FX Products, you have a counterparty risk on Gleneagle. An element of counterparty risk is "credit risk" and this in turn is impacted by the "limited recourse" feature of AGI FX Products, so you should consider your credit risk on Gleneagle having the financial resources at the time to pay you the amounts it owes you. The risk on Gleneagle is mitigated by Gleneagle hedging its AGI FX Products and adopting the Security Trust as part of the overall intended benefit in the interests of all AGI FX Product Clients.

#### Your credit risk on Gleneagle

You have credit risk on Gleneagle when your Equity (see the glossary in Section 7) has a net credit balance. Your credit risk on Gleneagle:

- depends on the **overall solvency of Gleneagle**, which is affected by Gleneagle's risk management;
- is affected by your **limited recourse** against Gleneagle; and
- is affected by the **Security Trust** adopted by Gleneagle (explained further in this Section 3 under the heading "Your Counterparty Risk on Gleneagle" sub heading under "Security Trust").

**The moneys withdrawn from the Gleneagle Trust Account is payment by the Client to Gleneagle and so the moneys become the property of Gleneagle. The terms of the Security Trust require that the funds as withdrawn (at that point owned by Gleneagle and so from that time are not beneficially held for Clients) may be used only to hedge and to manage hedge transactions for Gleneagle's exposure to the AGI FX Products issued to Clients or to pay the fees, charges and costs for AGI FX Products which are due to Gleneagle.** Refer to the Sections entitled "Security Trust" and "Hedge Counterparty" below.

**In practice, Gleneagle promptly withdraws all of the funds in the Gleneagle Trust Account on a regular basis and pays all of it to the Security Trust Bank Account so it is then available to be used to pay to Gleneagle's Hedge Counterparty for managing Gleneagle's exposure on AGI FX Products issued to Clients.** See under the subheading "Claims, Surplus and the Hedge Counterparty" later in this Section 3 under the heading "Your Counterparty Risk on Gleneagle".

Since Gleneagle acts on your authorisation to withdraw all of the funds which you deposit as your payment of Margin for your Trading Accounts, typically your more significant credit risk arises when the moneys are withdrawn and paid to Gleneagle (rather than the risks

for when your money is in the Gleneagle Trust Account). In this instance, you are taking credit risk on Gleneagle because you become an unsecured creditor of Gleneagle.

Your credit risk on Gleneagle is managed and reduced by Gleneagle:

- applying its risk management policy and Margin Policy designed to reduce risk to Gleneagle and therefore benefit all of its Clients;
- being obliged by the terms of the Security Trust to keep all surplus funds sourced by payments by Clients to Gleneagle (by withdrawal from the Gleneagle Trust Account) which are not paid to the Hedge Counterparty (if any) in a Security Trust Bank Account. Any surplus funds in a Security Trust Bank Account may (under the terms of the Security Trust) only be used for hedging or managing the hedging of Gleneagle's exposure to AGI FX Products issued to Clients or for paying fees, charges and costs due on the AGI FX Products – more information on this is provided under the heading "Security Trust" later in this Section.
- 
- Gleneagle has a risk management policy which details how Gleneagle monitors its compliance with its Australian financial services (AFS) licence financial requirements;

#### **Risks from Gleneagle's Hedge Counterparty**

It is possible that Gleneagle's Hedge Counterparty may become insolvent or it is possible that other counterparties to the Hedge Counterparty may cause a default which reduces the financial resources or capacity for the Hedge Counterparty to perform its obligations owed to Gleneagle under the hedge contracts.

Gleneagle does not have control of the Hedge Counterparty's trading and Gleneagle is not responsible for the solvency or trading of Hedge Counterparty nor is Gleneagle liable to guarantee the solvency of Hedge Counterparty, therefore Gleneagle remains exposed to its Hedge Counterparty, in respect of its hedge contracts with Gleneagle.

Since Gleneagle is liable to you as principal on the AGI FX Product, Gleneagle could be exposed to the insolvency of its Hedge Counterparty or other defaults which affect the Hedge Counterparty.

#### **Limited Recourse**

Gleneagle limits its liability to you (as a Client) under the terms of the AGI FX Products by the extent to which Gleneagle actually recovers against its Hedge Counterparty, and allocates the proceeds to your AGI FX Products. Put another way, if, after paying to you out of trust accounts amounts to which you are entitled or additional amounts which Gleneagle chooses to pay to you, there remains any shortfall owing to you, then Gleneagle's liability for that may be satisfied only by the extent to which Gleneagle is able to recover from its Hedge Counterparty.

It is therefore possible that Gleneagle might not fully recover from the Hedge Counterparty due to reasons not arising from your own AGI FX Products, or it may incur costs in seeking the recovery or choose to terminate recovery efforts early, thereby reducing the proceeds available to Gleneagle to allocate in its discretion to your AGI FX Product.

It is important to understand that you have no rights or beneficial interest in any product which Gleneagle has with its Hedge Counterparty and you cannot force Gleneagle to make any decision about seeking recovery against Gleneagle's Hedge Counterparty. Gleneagle does not have the power to control its Hedge Counterparty and has no guarantee of financial support from it. You are dependent on Gleneagle taking any action to seek recovery. Gleneagle has complete discretion as to how it pursues that action, although Gleneagle would act honestly, fairly and efficiently in determining if and how to pursue that recovery action.

Broadly this is economically comparable with the same risk you would face if you were to deal in the market directly with the same Hedge Counterparty and incur your own costs of seeking recovery, perhaps in overseas jurisdictions. By dealing in these AGI FX Products, you get the benefit of Gleneagle's obligation to you as issuer of the AGI FX Products and the benefit of Gleneagle dealing with a market participant who might not ordinarily deal with you directly and the Security Trust which has been added by Gleneagle.

The relationship between the limited recourse and the Security Trust is that the limited recourse does limit your potential recovery against Gleneagle; however, you, as the Client, potentially benefit by the Security Trust.

The Security Trust structure adopted by Gleneagle together with Clients having the benefit of the terms of the Security Trust which requires Gleneagle by the terms of the Security Trust to enforce the terms of the Security Trust, has the intention that there could be a greater pool of funds available to Clients on a Trigger Event occurring compared with having no such structure. So, although the limited recourse feature limits a Client's potential recovery against Gleneagle, the Security Trust aims to provide the structure for there being a greater pool of funds which is available to be distributed first to Clients on certain events occurring (see section on "Security Trust" below for further information). Of course, there are limits and unpredictable outcomes due to discretions in courts exercising judgments in cases brought by other parties (outside the control of Gleneagle), but overall the structure has meaningful potential to give more benefit to Clients with AGI FX Products than not having the structure.

#### **Security Trust**

Gleneagle has established the Security Trust. This binds Gleneagle to keep to the terms of the Security Trust. In simple terms, the Security Trust binds Gleneagle to using funds which it has sourced from your payments (as the Client) to pay Gleneagle for Margin only for hedging Gleneagle's exposure to all AGI FX Products or for managing those hedge contracts, for paying fees, charges and costs on the AGI FX Products to which Gleneagle is entitled and for payments back to you (as Client).

This is intended to reduce your credit risk on Gleneagle because Gleneagle is obliged by the terms of the Security Trust to hold certain assets on the terms of the Security Trust and only to use those assets in accordance with the terms of the Security Trust and that is only in respect of managing its exposure to all AGI FX Products. If the Security Trust did not exist or its terms are not enforced (fully or at all), then Gleneagle would be permitted to use those assets in any way permitted by law.

The assets which are subject to the terms of the Security Trust are:

- all of the benefit of the claims against the Hedge Counterparty in respect of the hedge contracts which were entered into by Gleneagle to hedge its exposure to AGI FX Products issued to Clients (**Claims**); and
- all of the surplus funds from Gleneagle Product Clients' payments to Gleneagle for AGI FX Products which are not paid to the Hedge Counterparty or paid as fees or charges used for AGI FX Products (**Surplus**).

All of the Surplus moneys (if any) are held in a Security Trust Bank Account.

In simple terms, the Security Trust basically works with two sets of rules – one set applies before a Trigger Event occurs, the other set applies automatically on a Trigger Event occurring. Here is a summary of how those rules work:

- Before a Trigger Event occurs, the Claims and the Surplus may only be used by Gleneagle for managing its exposure to all AGI FX Products, paying money to Clients, paying money to which Gleneagle is entitled (fees, charges and costs on AGI FX Products) (or payments on winding up the Security Trust). In practical terms of explaining how the trust terms work, the Security Trust gives Clients some meaningful potential benefits by limiting Gleneagle's use of Surplus (if any) to activity relating to AGI FX Products. If there are funds in a Security Trust Bank Account, this can have the effect of increasing the funds that could be available if needed to be paid to a Client and also the effect of not allowing the use by Gleneagle of the Surplus for purposes outside the terms of the Security Trust.

During this time before any Trigger Event occurs, each Client is a beneficiary of the rights under the Security Trust and should have the right to enforce the terms of the Security Trust (but at this time they do not have a beneficial interest in the trust property such as hedge contracts or funds in the Security Trust Bank Account) and to hold Gleneagle to account for any breach by it of the Security Trust.

Please note that there is no specific obligation on how much is retained as Surplus and how much may be used to pay to manage hedge contracts. As explained in this PDS, Gleneagle operates a market making model for AGI FX Products, so

Gleneagle's hedges could vary at any time and from time to time between 0% and 100% of all AGI FX Products.

- Automatically upon a Trigger Event occurring, the terms of the Security Trust provide that Gleneagle (as trustee of the Security Trust) holds the Claims and Surplus beneficially for the Clients. In simple terms, Gleneagle as trustee must manage the Claims and the Surplus in accordance with the terms of the Security Trust. Those terms give priority to paying out in favour of all Clients but may not necessarily mean that Clients will always receive their full entitlements, although Gleneagle will attempt to maximise those entitlements to Clients.

Gleneagle (as trustee of the Security Trust) is given discretion by the terms of the Security Trust to manage payments to Clients because it is required to determine a fair and reasonable manner of paying amounts towards satisfying obligations

owed to Clients. The reason for having this discretion is to allow the Trustee to deal with situations which can have complex factual and legal issues and frequently require business, accounting and legal expertise and time to decide payments which take into account potential issues not yet recognised by the Corporations Act in respect of payments from a statutory account maintained for section 981B of the Corporations Act. Please note that the terms of the Security Trust require the Trustee in this case to use the funds in the Security Trust first to make the payments to Clients until all of the Trustee's obligations to them are satisfied, before allowing any payment to other creditors or for the benefit of Gleneagle.

**Trigger Event** means each of: (i) an insolvency event occurring with respect to the trustee of the Security Trust or Hedge Counterparty; and (ii) a breach by Trustee of the deed that materially adversely affects the interests of clients as a class of beneficiaries of the Security Trust. For the sake of clarity – either of those could occur and be a Trigger Event (it does not require both to occur).

So, if Gleneagle or its Hedge Counterparty were to become insolvent, then all of the assets which are Claims or Surplus are subject to the terms of the Security Trust including the obligation on the trustee to make payments out of those assets for the benefit of Clients first.

Please see the Section below under "Payments to you in Gleneagle Insolvency" for a summary of what would happen when that Trigger Event occurs.

A full copy of the terms of the Security Trust is available free of charge on request.

### **Claims, Surplus and the Hedge Counterparty**

Clients will benefit if the Claims and the Surplus have value at the time the trustee of the Security Trust needs to enforce the rules of the Security Trust to pay Clients first, so it is worthwhile to understand a little more about the Claims and the Surplus.

As mentioned above, Surplus is any cash held in a bank account (or broadly similar account with a regulated provider) which is nominated to be subject to the Security Trust. Gleneagle from time to time may nominate accounts for this purpose. It is not obliged to have such an account and it may have at any time a number of them or none.

As described elsewhere in this PDS in several places, once Client moneys are withdrawn from the Gleneagle Trust Account they become moneys owned by Gleneagle (not held beneficially for Clients). Therefore in legal terms there is no pooling of Client moneys by Gleneagle once they are withdrawn from the Gleneagle Trust Account – there can be no pooling in legal terms if they are not at that time Client moneys.

### **Solvency of Gleneagle**

The risks you have by dealing with Gleneagle (due to Gleneagle being paid all of your moneys deposited into the Gleneagle Trust Account and Gleneagle cannot be simplistically assessed by reference to historical financial information about Gleneagle or its Hedge Counterparty or general statements of principle.

The credit risk you have on Gleneagle depends on its solvency generally, as well as on the amount (and kind) of its capitalisation, its cash flow, all of its business risks, its Client and stock concentration risks, its counterparty risks for all of its business and transactions (not just the AGI FX Products), its risk management systems and actual implementation of that risk management, the limited recourse you have and the Security Trust.

Your credit risk on Gleneagle will fluctuate throughout the day and from day to day, including due to its risk on the Hedge Counterparty, whose credit risk to Gleneagle (and so indirectly to you) cannot be assessed or verified on a continuous basis or perhaps reliably at all.

You should take into account all of those factors and not rely only on past financial statements since that could be materially incomplete information for your purposes, not current and therefore potentially misleading as a guide to the current solvency and creditworthiness of Gleneagle.

The latest Gleneagle annual directors' report and an audited annual financial report are available free on request by contacting Gleneagle.

### **Payments to you in Gleneagle Insolvency**

If Gleneagle becomes insolvent, here is how you can be paid for any net credit balance in your Account:

- Any of your moneys in the Gleneagle Trust Account should be paid to Clients, after deduction for any amounts properly payable to Gleneagle or which Clients have otherwise agreed are payable to Gleneagle (subject to intervention by a court which issues orders for a different outcome).
- Gleneagle will be holding (in the Security Trust) for all Clients the benefit of Claims and (if any) the Surplus. The terms of the Security Trust require that these must be paid out to Clients before paying Gleneagle (so it is intended that the Claims and any Surplus should not be available to be used by a liquidator until all Client claims are satisfied).
- The precise amounts and timing of payments will not be known until the net position with the Hedge Counterparty is known. Typically, all of Gleneagle's transactions with its Hedge Counterparty for AGI FX Products would be terminated so as to leave a net sum owing by one party to the other. If Hedge Counterparty ends up being the party that owes a single net amount to Gleneagle, Gleneagle is exposed to the financial capacity of Hedge Counterparty to pay that amount. If Gleneagle ends up being the party that owes a single net amount to Hedge Counterparty, the Surplus should be used to pay that amount to Hedge Counterparty and Gleneagle will be liable to pay any remaining shortfall.
- Gleneagle will use reasonable efforts to reclaim any moneys held in the Security Trust (which will be part of the Surplus which is held in a Security Trust Bank Account held beneficially for Clients) or owing to it and which are subject to the Security Trust.
- Gleneagle will need to assess whether it can feasibly sue to recover anything owed by the Hedge Counterparty.
- Gleneagle will need to assess the amounts prudently available from the Security Trust to pay Clients, and may choose to pay out interim amounts.

- The Security Trust requires Gleneagle (as Trustee) to make payments to Clients from the Security Trust to meet its obligations on Client Transactions (i.e., transactions which are AGI FX Products or related payments) and gives the Trustee the power and the discretion to determine that in a fair and reasonable manner. This may be compared with the laws which apply to payments out of the Gleneagle Trust Account (or any other trust account maintained for section 981B of the Corporations Act). While those laws provide a basis for the order of priority of payments from those statutory trust accounts and the calculations of amounts if there are insufficient funds, the Trustee's power under the Security Trust to make determinations in a fair and reasonable manner has much less certainty of outcome for clients and cannot be predicted in advance.
- In addition to whatever payments are made by Gleneagle as Trustee from funds available under the Security Trust, Gleneagle is not prevented from paying Clients from any other available funds it has (that is, outside those held in the Security Trust for Clients).

### **Effect of uncertainty of trust and insolvency laws on Security Trust**

Please be aware that the laws on trusts and insolvency are complex and remain open to different interpretation and disputes, including potentially by a liquidator of Gleneagle. Also, the interpretation and enforcement of trusts and insolvency laws can involve the exercise of discretions by courts in Australia (and potentially outside of Australia) despite the express written terms of a trust such as the Security Trust, so it is never possible to give absolute assurances in advance of how a court might decide matters relating to the Security Trust.

Depending on the circumstances at the time, it is possible that a court which is asked by any person to review the Security Trust decides to give orders that have the effect that the terms of the Security Trust do not work or cannot be implemented in accordance with their terms, which then has the outcome that the benefit for Clients individually or as a class is not given as intended by the Security Trust as described in this PDS.

While Gleneagle cannot speculate on any such challenge before it ever occurs, any inability to fully implement the Security Trust in accordance with its express terms could have the outcome that the Clients who are affected by that court decision are creditors of Gleneagle with generally the same position and risks as a client of an issuer of financial products comparable with those issued to Clients of Gleneagle but who (i.e., the issuer) never adopted any similar security trust. In other words, if the Security Trust is not upheld by a court, then Clients are in the same position as a client of an issuer which never has the structure. The client in that position is (as disclosed elsewhere in this PDS) entitled to any of its moneys in the Gleneagle Trust Account attributable to it (and subject to the statutory rules for payments out of that account) and the client is an unsecured creditor for the balance of the amount owing to it, so any payment of that amount is subject to prior claims (such as secured creditors of Gleneagle and amounts mandatorily preferred by law). Accordingly, clients should also consider their counterparty risk on Gleneagle without the Security Trust (see the earlier parts of this Section 3) and the following information about Hedge Counterparty risk.

### Hedge Counterparty risk

Gleneagle will nominate Hedge Counterparty on a case by case basis.

You should note that:

- Gleneagle is not responsible or liable for Hedge Counterparty's trading so Gleneagle does not guarantee or assure the financial performance of Hedge Counterparty including its hedge contracts with Gleneagle.
- 
- Hedge Counterparty has not been involved in the preparation of this PDS nor authorised any statement made in this PDS relating to it.
- Hedge Counterparty has no contractual or other legal relationship with you as holder of the AGI FX Products. Hedge Counterparty is not liable to you and you have no legal recourse against Hedge Counterparty (because Gleneagle acts as principal to you and not as agent) nor can you require Gleneagle to take action against Hedge Counterparty.
- Gleneagle gives no assurance as to the solvency or performance of any Hedge Counterparty. Gleneagle does not make any express or implied statement about the solvency or credit rating of any Hedge Counterparty.
- The regulation of Hedge Counterparty is no assurance of the credit quality of the Hedge Counterparty or of any regulated or voluntary scheme for meeting the claims of creditors of Hedge Counterparty. For example, although a Hedge Counterparty may be regulated by European financial law, that gives no assurance that Hedge Counterparty has good credit quality or it will perform its obligations to Gleneagle.
- The credit quality of the Hedge Counterparty can change quickly. Gleneagle is not able to make assessments of the credit quality of its Hedge Counterparty which it can disclose and reports by independent credit rating agencies may not be available because of their lack of consent or because they are not licensed to allow such reports to be cited in PDS given to retail clients.
- If Gleneagle becomes aware that material information about Hedge Counterparty changes or a significant matter later changes, Gleneagle will issue a supplementary product disclosure statement, or a new product disclosure statement. If the new information is not materially adverse to you, Gleneagle will provide the updated information on its website.

Gleneagle is not authorised to set out in this PDS any further information published by the Hedge Counterparty and Gleneagle takes no responsibility for third-party information about the Hedge Counterparty which may be available to you. If you require further information about the Hedge Counterparty used by Gleneagle before deciding whether to invest in AGI FX Products, please first contact the Hedge Counterparty. Gleneagle will also reasonably assist you to locate such other information as is publicly available to Gleneagle.

### Section 4 – Significant Risks

Using AGI FX Products involves a number of significant risks. You should seek independent advice and consider carefully whether AGI FX Products are appropriate for you given your experience, financial objectives, needs and circumstances.

#### 4.1 Key Risks

You should consider these key risks involved in AGI FX Products:

KEY RISKS	IMPORTANT ISSUES
<b>Loss from Leverage:</b>	<ul style="list-style-type: none"> <li>▪ AGI FX Products have leverage which can lead to large losses as well as large gains. The high degree of leverage in AGI FX Products can work against you as well as for you.</li> <li>▪ The leveraging in AGI FX Product gives a moderate to high risk of a loss larger than the amounts you pay Gleneagle as Margin. It can also cause volatile fluctuations in the Margin requirements.</li> </ul>
<b>AGI FX Products may have unlimited loss:</b>	<ul style="list-style-type: none"> <li>▪ There is a moderate to high risk of your potential loss being unlimited if the market moves against you.</li> <li>▪ You can minimise the risk of losses by monitoring your Open Positions and Closing Out the positions before losses arise.</li> </ul>
<b>Client moneys are applied to pay for your AGI FX Products:</b>	<ul style="list-style-type: none"> <li>▪ The money which you pay into the Gleneagle Trust Account is withdrawn on your direction to pay Gleneagle before the AGI FX Products are issued to you, even if you pay more than the minimum Margin required.</li> <li>▪ Your client moneys cannot be retained in the Gleneagle Trust Account because you need to pay Gleneagle before the AGI FX Product is issued to you.</li> <li>▪ Moneys withdrawn from the Gleneagle Trust Account are either to pay Gleneagle or to pay you. Moneys withdrawn to pay Gleneagle are Gleneagle's moneys (and are not held for you).</li> </ul> <p>Once your moneys are withdrawn from the Gleneagle Trust Account you become an unsecured creditor of Gleneagle and you lose all of the protections you had when your</p>

KEY RISKS	IMPORTANT ISSUES
	<p>client moneys are in the Gleneagle Trust Account. The features of these risks to you are described in the section 3 under <b>“Consequences of withdrawals from the Gleneagle Trust Account”</b>. Please also see section 3 under <b>“Your Counterparty risk on Gleneagle”</b>.</p>
<b>Margin risk:</b>	<ul style="list-style-type: none"> <li>▪ You must be able to pay to Gleneagle the amount of required Margin as and when required, otherwise all of your Transactions (including AGI FX Products) may be Closed Out without notice to you. Margin requirements are highly likely to change continuously, in line with market movements in the underlying currencies and metals market.</li> <li>▪ You should consider there is a high risk of Margin requirements changing and changing at times very rapidly. There is a moderate to high risk that if the market value of the underlying currencies and metals market moves rapidly against you, you will be required to pay more Margin on little or no notice. If you do not meet those requirements, your positions (<b>including AGI FX Products</b>) can be automatically Closed Out.</li> <li>▪ You can minimise your risk of losing your positions (including AGI FX Products) after failing to meet Margin requirements by carefully selecting the type and amount of AGI FX Products to suit your needs, monitoring the positions, maintaining a prudent level of cash balance in your Account and providing sufficient Margin within the time required by Gleneagle. Please see Section 3 under “Payments and Client moneys” subheading “Detailed explanation of Margining on AGI FX Products”</li> </ul>
<b>Foreign exchange risk:</b>	<ul style="list-style-type: none"> <li>▪ Foreign currency conversions required for your Account (see Section 6 under “Account Currency” for a further description) can expose you to</li> </ul>

KEY RISKS	IMPORTANT ISSUES
	<p>foreign exchange risks between the time the Transaction is entered into and the time the relevant conversion of currencies occurs. Foreign exchange markets can change rapidly. This exposes you to adverse changes in the value of your Trading Account which can be large (depending on foreign exchange rates) and volatile. This will directly affect the value of AGI FX Products positions.</p> <ul style="list-style-type: none"> <li>▪ You can minimise this risk by selecting AGI FX Products with foreign exchange exposure that you are prepared to incur and to monitor.</li> </ul>
<b>Counterparty risk on Gleneagle:</b>	<ul style="list-style-type: none"> <li>▪ You have the risk that Gleneagle will not meet its obligations to you under the AGI FX Products.</li> <li>▪ AGI FX Products are not exchange-traded so you need to consider the credit and related risks you have on Gleneagle.</li> <li>▪ Gleneagle believes that your counterparty risk on Gleneagle is relatively low, especially due to its Margin policy, risk management and the Security Trust; however, the potential adverse outcome of this risk is very significant to you since, if it occurs, you could lose all or some of your investment.</li> <li>▪ You can minimise your counterparty risk on Gleneagle by limiting the amount you pay Gleneagle, trading prudently and requesting payment to you of any surplus in your Account which is not required for prudent Margin management, however this may increase your Margin risk resulting in all of your positions to be Closed Out. Please see Section 3 under “Your Counterparty Risk on Gleneagle”.</li> </ul>
<b>Limited Recourse:</b>	<ul style="list-style-type: none"> <li>▪ Gleneagle limits its liability to you under the terms of the AGI FX Products by the extent to which Gleneagle actually recovers against its only Hedge Counterparty and allocates that</li> </ul>

KEY RISKS	IMPORTANT ISSUES
	<p>to your AGI FX Products.</p> <ul style="list-style-type: none"> <li>This key risk is linked to "counterparty risk". Both limited recourse and counterparty risks are further explained in Section 3 under "Your Counterparty Risk on Gleneagle".</li> </ul>

#### 4.2 Other Significant Risks

You should consider these significant risks involved in AGI FX Products:

SIGNIFICANT RISKS	IMPORTANT ISSUES
<b>Market risk:</b>	<p>OTC trading is highly speculative and volatile. There is a high risk that market prices will move such that the value of your AGI FX Products can be significantly less than the amount you invested in them.</p> <p>There is no guarantee or assurance that you will make profits, or not make losses, or that unrealised profits or losses will remain unchanged.</p> <p>You can reduce your risk by understanding the market relevant to your AGI FX Products, monitoring your AGI FX Products positions carefully and closing your Open Positions before unacceptable losses arise.</p>
<b>Not a regulated market:</b>	<p>The AGI FX Products offered by Gleneagle are over the counter products and so are not covered by the rules for an exchange.</p> <p>Over-the-counter financial products, such as AGI FX Products, by their nature do not have an established liquid market with numerous participants. If you want to exit your AGI FX Products, you rely on Gleneagle's ability to Close Out at the time you wish, which might not match the underlying market's liquidity or price. You can reduce your risk by carefully reading this PDS, the Account Terms and taking independent advice on the legal and financial aspects relevant to you.</p>
<b>Market disruptions:</b>	<p>A market disruption may mean that you may be unable to deal in AGI FX Products when desired, and you may suffer a loss as a result of that.</p>
<b>Orders and gapping:</b>	<p>It may become difficult or impossible for you to Close Out a position. This can, for example, happen when there is a significant change in the AGI FX Products value over a short period. There is</p>

SIGNIFICANT RISKS	IMPORTANT ISSUES
	<p>a moderate to high risk of this occurring as a result of market volatility.</p> <p>Gleneagle's ability to Close Out AGI FX Products depends on the Current Market Price.</p> <p>Stop-loss Orders may not always be filled and, even if placed, may not limit your losses to the amount specified in the Order, since they are not guarantees that there will be no loss.</p> <p>You should consider placing stop-loss or other Orders that limit your losses but also closely monitor your Account and the relevant market in case the Stop-loss Order is not fully filled or filled at all and you need to take further action to limit your losses. For further information, see Section 3 under "AGI FX Product Order Types" subheading "Stop-loss Orders".</p>
<b>Online trading platform:</b>	<p>You are responsible for the means by which you access the online trading platform or your other contact with Gleneagle. If you are unable to access the online trading platform, it may mean that you are unable to trade in AGI FX Products (including closing them out) or you might not be aware of the current Margin requirements and so you may suffer loss as a result.</p> <p>Gleneagle may also suspend the operation of the online trading platform or any part of it, without prior notice to you. Although this is considered to be a low risk since it would usually only happen in unforeseen and extreme market situations, Gleneagle has discretion in determining when to do this. If the online trading platform is suspended, you may have difficulty contacting AGI FX, you may not be able to contact AGI FX at all, or your Orders may not be able to be executed at prices quoted to you.</p> <p>There is a moderate to high risk that Gleneagle will impose volume limits on Client accounts or filters on trading, which could prevent or delay execution of your Orders, at your risk. You have no recourse against Gleneagle in relation to the availability or otherwise of the online trading platforms, nor for their errors and software. Please review the terms and any guidance material for any particular online trading platform.</p>
<b>Conflicts:</b>	<p>Trading with Gleneagle for its AGI FX Products carries an automatic</p>

<b>SIGNIFICANT RISKS</b>	<b>IMPORTANT ISSUES</b>
	<p>risk of actual conflicts of interests because Gleneagle is acting as principal in its AGI FX Products with you and Gleneagle sets the price of the AGI FX Products.</p> <p>The policy used by Gleneagle is that as principal it issues the AGI FX Products to you based on the price it gives you, not by acting as broker to you. Gleneagle obtains its price by dealing with its Hedge Counterparty.</p> <p>You can reduce the risks to you of unfavourable pricing or opaque pricing (meaning it is unclear how it relates to the underlying market) by monitoring the underlying market and Gleneagle's pricing compared with other similar OTC contracts which have comparable terms.</p>
<b>Valuations:</b>	<p>The AGI FX Products are valued by Gleneagle.</p> <p>While there are no specific limits on Gleneagle's discretions, Gleneagle must comply with its obligations as a financial services licensee to act efficiently, honestly and fairly. You therefore have the risk of relying on whatever value is determined by Gleneagle in the circumstances permitted by the Account Terms.</p>
<b>Effect of uncertainty of trust and insolvency laws on Security Trust:</b>	<p>There is a risk that all or some of the terms of the Security Trust are not enforced in accordance with their terms due to court orders if the Security Trust is reviewed by a court. This might come about due to an external administrator of Gleneagle, such as an administrator or a liquidator, challenging its terms or by asking for court orders to access moneys and other assets held under the Security Trust to pay for its fees or to make a distribution to unsecured creditors. The risk arises because the laws on trusts and insolvency are complex and remain open to different interpretation and disputes, including potentially by a liquidator of Gleneagle. Also, the interpretation and enforcement of trusts and insolvency laws can involve the exercise of discretions by courts in Australia (and potentially outside of Australia) despite the express written terms of a trust such as the Security Trust. Depending on the circumstances at the time of any challenge to the Security Trust, it is possible that a court decides to give orders that have the effect that the terms of the Security Trust do not work or cannot be implemented in accordance with their terms, which</p>

<b>SIGNIFICANT RISKS</b>	<b>IMPORTANT ISSUES</b>
	<p>then has the outcome that the benefit for clients individually or as a class is not given as described in this PDS and would leave the client in the same legal and risk position as if there never had been a Security Trust – please see all of Section 3 under the heading "Your Counterparty Risk on Gleneagle" and "Payment and Client Moneys".</p>
<b>Operational risk:</b>	<p>There is always operational risk in AGI FX Products. For example, disruptions in operational processes such as communications, computers and computer networks, or external events may lead to delays in the execution and settlement of a transaction.</p> <p>We are not liable to you if losses arise owing to delays, errors or failures in operational processes outside our control, in particular, due to faults in the online trading platform or in the provision of data by third parties.</p>

## Section 5 – Costs, Fees and Charges

### 5.1 Costs, Fees and Charges

Gleneagle derives a financial benefit by entering into other transactions with other persons at different rates from those charged to the Client.

All costs, fees and charges are charged in the Account Currency selected, unless otherwise specified.

Details of the costs, fees and charges which have been charged are included in your statement. This is made available as an online report that can be accessed via your MT4 Trading Platform or emailed or mailed to you that you can access and print upon demand.

Gleneagle accepts credit/debit card payments made by Visa and MasterCard and China Union Pay credit/debit cards. Please note that making deposits via credit/debit card attracts a credit/debit card service fee of 3%.

If there is a chargeback on your Account, you may be responsible for covering any reversed payments and chargeback fees, amounting to a maximum of AUD\$25 per transaction.

Please note that your bank may treat payments by credit card as a cash advance, which may incur additional fees, so you should contact your bank to confirm if this applies.

### 5.2 AGI FX Product Transaction Fees

Gleneagle may charge a Transaction Fee (which may be described as "commission" on the platform) on each AGI FX Product that is executed. Our rates vary depending on the type and level of service required, and the frequency and size of Transactions.

Fee per contract

The greater of:

- the amount that is calculated by multiplying the amount of AGI FX Products traded by the individual charge per contract; and
- a minimum Transaction Fee or a minimum ticket Transaction Fee depending on the ticket size.

The Transaction Fee that you will be actually charged is disclosed on your statement.

The fee accrues immediately upon execution of the Transaction, i.e., when you Open or Close the AGI FX Product. The Transaction Fee will either be reflected in the execution price as an additional component to the spread pricing or separately, i.e., not included in the spread pricing. Refer to Section 3.8 relating to Pricing Models.

Please remember that because you are required to trade a AGI FX Product to Close Out the existing AGI FX Product Open Position there may be a Transaction Fee on the AGI FX Product used to close the position.

### 5.3 Margin

The Margin amount that you would be required to pay is determined by Gleneagle depending on the specific contract details. Since there is a large variety of potential Margin amounts and they can change at any time, this is made available on the MT4 Trading Platform or you can contact AGI FX for an indication of the Margin that will be charged for the particular AGI FX Products.

Please also see the worked examples which follow in this Section for how the Margin works.

The total amount of dollar Margin Requirement utilised is displayed for all the Open Positions transacted on the MT4 Trading Platform.

### 5.4 Finance Charge Adjustment / Finance Credit Adjustment

#### Finance Charge Adjustment / Finance Credit Adjustment on Long / Short FX Products and Metals Products

Gleneagle in respect of open FX Products and Metals Products held Overnight will incur a Finance Charge Adjustment or Finance Credit Adjustment.

The calculation for an overnight Finance Charge Adjustment / Finance Credit Adjustment for each day that a long or short FX Product and Metals Product is held Overnight is as follows:

$$F = S * L * P$$

F = Daily Finance Charge Adjustment (if negative) / Finance Credit Adjustment (if positive)

S = Swap Rate (positive or negative) for 1 day

L = Number of lots

P = Pip Value in Account Currency based upon 1

Lot Examples:

If you hold a short 200,000 EUR/USD position Overnight and the Account Currency is USD, then the Daily Finance Charge is -2.80 USD = -0.14 (Swap Rate) \* 2 (Lots) \* 10 USD (Pip Value)

If you hold a long 100,000 USD/JPY position Overnight and the Account Currency is USD, then the Daily Finance Charge is -0.39 USD = -0.03 (Swap Rate) \* 1 (Lots) \* 13 USD (Pip Value) \* -1

### Finance Charge Adjustment on Trading Account Balance

Gleneagle does not pay any Finance Credit Adjustment earned on your Trading Account on positive Balances.

### 5.5 Cost of conversion

You will incur a conversion cost when converting to your Account Currency. This occurs each time there is a conversion from a Transaction denominated in a currency different from the Account Currency being Australian dollars. The conversion cost charged is up to a maximum of 100 basis points (1.00%) of the Transaction's full face value being converted and is adjusted in the realised profit or loss.

### 5.6 External Fees, Taxes and Charges

You are responsible for any stamp duty, transaction duty, GST or similar goods and services or value added tax payable in respect of trading in Transactions (except for any income tax payable by Gleneagle) . Bank charges and fees imposed on Gleneagle to clear your funds or in respect of your payments will also be charged to your Account.

The Account Terms may allow Gleneagle to impose other fees or charges from time to time which do not relate directly to Transactions (and so are not costs, fees or charges for acquiring or later dealing in the AGI FX Product itself). For example, you may be required to pay royalty or similar charges set by data providers for your use of information feeds or for online transaction services. Gleneagle may debit these amounts to your Trading Account.

### 5.7 AGI FX Product Trading Examples

Here are some examples to illustrate the variables for a typical Transaction and how they affect the calculations. The variables of your actual Transactions will, of course, differ, so please check with Gleneagle before entering into your Transaction.

The fees, charges and Leverage Rate Rates used in this example are hypothetical only and you should either contact Gleneagle or view the website prior to trading for all relevant and current information.

### Example 1: Buying USD/JPY

#### Opening the position

You decide to go long on the US Dollar against the Japanese Yen, and ask for a quote for 5 lots, the equivalent of USD500,000. We quote you 73.41/73.43 and you buy 5 lots at 73.43.

#### Finance Charge Adjustment

While the position remains open, for example if the applicable Swap Rate might be negative 0.03 points for 'long' positions and the Point Value for 1 Lot is \$13.09, then the Finance Charge Adjustment for a particular day would be \$1.96.

#### Closing the position

Later, USD/JPY has risen to 76.87/76.89, and you take your profit by selling 5 lots at 76.87. Your gross profit on the trade is calculated as follows:

Closing transaction:	USD500,000 (5 Lots) x 76.87 = ¥38,435,000
Opening transaction:	USD500,000 (5 Lots) x 73.43 = ¥36,715,000
Gross profit on trade:	= ¥1,720,000 equivalent to \$22,375.44

#### Calculating the overall result

To calculate the overall or net profit, you also have to take account of the Finance Charge Adjustment. In this example, you might have rolled the position for 20 days, charging a total a Finance Charge Adjustment debit of \$39.20

Gross profit on trade:	\$22,375.44
Finance Charge Adjustment:	(\$ 39.20)
Net profit:	\$ 22,336.24

### Example 2: Buying spot gold :

#### This example assumes that:

- the Trading Account base currency selected is United States dollars
- no brokerage, commission or Transaction Fee is charged
- the Standard Trading Account Leverage Rate is 1:100 for a Spot Metal Product i.e. Initial Margin is set at 1% of the Contract Value;
- 1 Lot of gold is equivalent to 100 ounces; and
- the price of the Gleneagle Spot Metal Product moves in line with the market price of the spot gold.

#### Opening the position

You consider that gold is undervalued and wish to speculate the price will go higher, you decide to buy gold, and ask for a quote for 1 lots, the equivalent of 100 ounces. We quote you \$1,724.65/1725.15 and you buy 1 lots at 1725.15.

#### Initial Margin

The Initial Margin required to open your position was  $1\% \times \$1,725.15 \times 100 = \$1,725.15$

#### Finance Charge Adjustment

While the position remains open, for example the daily swap is \$5.70.

#### Closing the position

Later, gold has risen to 1,750.00/1,750.05, and you take your profit by selling 1 Lot at 1,730. Your gross profit on the trade is calculated as follows:

Closing level:	\$1,750.00
Opening level:	\$1,725.15
Difference:	\$24.85

Gross profit on Transaction:  $\$4.85 \times 100 = \$2,485$

### **Calculating the overall result**

To calculate the overall or net profit, you also have to take account the Finance Charge Adjustment. In this example, you might have rolled the position for 10 days, charging a total a Finance Charge Adjustment of \$57:

Gross profit on trade: \$2,485.00

Finance Charge Adjustment: (\$ 57.00)

Net profit: \$2,428.00

### **Notes to all examples in this PDS:**

1. The above examples are to illustrate the impact of key variables on the outcome of a Transaction. They are not forecasts or projections of any particular Transaction.
2. The worked examples illustrate in dollar terms how trading incurs fees (including fees charged by Gleneagle), charges or other payments. These examples are not intended to be exhaustive and document every trading strategy.
3. The examples use simplifying assumptions by not taking into account an investor's tax rate or overall tax position, potential changes in interest rates charged to or earned on the Trading Account or the time value of money. While these variables will undoubtedly change the outcome of a Transaction, they are normal market variables which cannot now be predicted and so must be taken into consideration by a potential investor in Transactions.
4. There is no GST payable on the Transaction Fee or Finance Charge Adjustment.
5. Margin requirements, interest rates and external charges may change at any time and are hypothetical only.

## Section 6 – General Information

### 6.1 Account Currency

Your Account Currency is chosen as part of the Account opening process. Account Currency. The Account Currencies which are available can be chosen when the Accounts are established through the personal "Traders Room" or are displayed on the website.

If you instruct Gleneagle to effect a Transaction denominated in a currency different from the denomination of your Account currency, Gleneagle will convert the currency value of your Transaction into the Account Currency.

The foreign currency conversions can expose you to foreign exchange risks between the time the Transaction is entered into and the time the relevant conversion of currencies occurs.

Foreign exchange markets can change rapidly. Exchange rates depend on a number of factors including for example, interest rates, currency supply and demand and actions of government. In some situations, exchanges of currency may be suspended. These will impact on the rates of conversion set by Gleneagle.

### 6.2 Discretions

Gleneagle has discretions under the Account Terms which can affect your Orders and positions. You do not have any power to direct how we exercise our discretions.

When exercising our discretions we will comply with our legal obligations as the holder of an Australian Financial Services Licence. We will have regard to our policies and to managing all risks (including financial, credit and legal risks) for ourselves and all of our Clients, our obligations to our counterparties, market conditions and our reputation. We will try to act reasonably in exercising our discretions but we are not obliged to act in your best interests or to avoid or minimise a loss in your Account.

Our significant discretions are:

- whether to accept your Order (including to Close Out a position) or to amend it;
- any risk limits or other limits we impose on your Account or your trading;
- determining Margin requirements and Leverage Rates, especially the amount of Initial Margin, minimum Margin requirements, the time to meet any changed Margin requirement;
- determining the values of AGI FX Product for opening and closing positions and for determining Margin;
- setting Bid Prices (sell prices) and Ask Prices (buy Prices) derived from the underlying market; and
- closing your positions and determining prices derived from the underlying market.

You should consider the significant risks that arise from Gleneagle exercising its discretions – see Section 4.

Our other discretions include:

- setting our fees and interest rates (Swap Rate);
- setting foreign exchange conversion rates;
- opening and closing your Account;

- giving you a grace period for full compliance in paying by cleared funds any amount you owe; and
- interpretation, variation and application of our policies.

### 6.3 Policies

Gleneagle has a number of policies that can affect your AGI FX Product investments. The policies are guidelines that Gleneagle (including all of its staff) is expected to follow but policies are not part of the Account Terms and do not give you additional legal rights or powers.

We may change our policies at any time without notice to you. We may amend, withdraw, replace or add to our policies at any time without notice to you. Our policies may help you understand how we operate but all of the important information is set out in or referred to in this PDS so you should only rely on this PDS and not on the policies.

A copy of each of the key policies is available on the AGI FX website at [www.AGIfx.com](http://www.AGIfx.com).

### 6.4 Anti-Money Laundering Laws

Gleneagle is subject to anti-money laundering and counter-terrorism financing laws (AML laws) that can affect your AGI FX Product trading. If your Account is established, Gleneagle may disclose your personal information or stop transactions on your Account for the purposes of the AML laws or under Gleneagle's AML laws procedures, without liability to you for any loss that arises due to that occurring.

- You also warrant that the moneys used to fund your transactions have not and will not be derived from or related to any money laundering, terrorism financing or other illegal activities whether prohibited under Australian law, international law or convention or by agreement;
- the proceeds of your investment will not be used to finance any illegal activities; and
- you are not a politically exposed person or organisation as defined in the AML laws.

### 6.5 ASIC Guides

ASIC has issued a guide to disclosure for contracts for differences: *RG 227 Over-the-counter contracts for difference: Improving disclosure for retail investors*. ASIC states that this guide should also apply to margin foreign exchange products and comparable products. Potential investors are encouraged to contact ASIC or to visit the ASIC website ([www.asic.gov.au](http://www.asic.gov.au)) for copies of these materials.

## 6.6 About Gleneagle

Gleneagle is an Australian owned investment company. Further information about Gleneagle is available on its website at [www.gleneagle.com.au](http://www.gleneagle.com.au)

Gleneagle will provide on request free of charge a copy of its most recently available audited financial reports.

## 6.7 Applications

You apply for an Account by returning to Gleneagle a completed application form which accompanies the booklet with the Account Terms, available by contacting AGI FX directly by registering online via the website [www.AGIfx.com](http://www.AGIfx.com).

Accounts can be funded by electronic transfer, credit/debit card. Further details are available by contacting AGI FX or on its website at: <http://www.AGIfx.com>

All funds must be cleared funds before they are credited to your Account to be made available for you to use in acquiring AGI FX Products.

### **Please be reminded that funding your Account by credit card has additional risks and costs for you.**

By using these payment methods you effectively would be doubling your leverage by taking credit from your credit card account and trading with leverage on your Gleneagle Account. This can add to the risks and volatility of your positions as well as incurs higher interest costs on your credit card account.

If you lose on your AGI FX Products, you might not have other financial resources to repay your credit card account, incurring higher interest costs and possibly defaulting on your credit card terms.

Although Gleneagle accepts payments of more than \$1,000 from credit card accounts to fund your Account and to meet later Margin payments, please carefully consider whether this payment method is suitable for your trading and limit it to what you can afford.

If your account is funded by credit/ debit card and you make a withdrawal request, this withdrawal amount may be refunded to your original credit/ debit card, however the method we use to honour your withdrawal request is at our sole discretion.

We do not accept third party payments and we will only accept credit/debit card payments from you if the credit/debit card is in the same name as your Account.

Individual AGI FX Products are traded using your online trading platform.

## 6.8 Taxation Implications

AGI FX Products will have taxation implications for Clients, depending on the current tax laws and administration, the nature of the Client for tax laws, the terms of the Transactions and other circumstances. These are invariably complex and specific to each Client. You should consult your tax advisor before trading in these financial products. Gleneagle does not provide any taxation advice.

The following information should be regarded as general information only.

### **Profits and losses on AGI FX Products**

Any gains derived or losses incurred by you in respect of AGI FX Products ordinarily should be included in your

assessable income. When calculating the amount of profit or loss, you need to consider any fees on Open Transactions paid or received by you. If you hold your AGI FX Product for the purpose of trading, you should seek independent taxation advice relevant to your circumstances.

### **Tax file number withholding rules**

The tax file number withholding rules only apply to those investments as set out in income tax legislation.

Gleneagle's current understanding is that those withholding rules do not apply to its Gleneagle financial products; however, if it is later determined to apply and you have not provided Gleneagle with your tax file number or an exemption category, Gleneagle may be obliged to withhold interest payments at the highest marginal tax rate and remit that amount to the ATO.

### **Costs, fees and charges**

If the AGI FX Product gives rise to gains that are assessable or losses that are deductible, any costs, fees and charges ordinarily should be available as a deduction at the time they are paid by the Client and debited against their Trading Account. You should seek independent taxation advice relevant to your circumstances.

### **Goods and Services Tax**

With the exception of fees and charges as set out in this PDS, amounts payable for or in respect of AGI FX Products are not subject to goods and service tax.

### **Profits and losses on AGI FX Products**

Any gains derived or losses incurred by you in respect of AGI FX Products ordinarily should be included in your assessable income. When calculating the amount of profit or loss, you need to consider any fees on Open Positions paid or received by you. If you hold your AGI FX Product for the purpose of trading, you should seek independent taxation advice relevant to your circumstances.

### **Tax file number withholding rules**

The tax file number withholding rules only apply to those investments as set out in income tax legislation.

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### **Costs, fees and charges**

If the AGI FX Product gives rise to gains that are assessable or losses that are deductible, any costs, fees and charges ordinarily should be available as a deduction at the time they are paid by the investor and debited against their Trading Account. You should seek independent taxation advice relevant to your circumstances.

### **Goods and Services Tax**

With the exception of fees and charges as set out in this PDS, amounts payable for or in respect of AGI FX Products are not subject to goods and service tax.

## 6.9 Cooling Off

There is no cooling off arrangement for AGI FX Products. This means that you do not have the right to return the AGI FX Product, nor request a refund of the money paid to acquire the AGI FX Product. If you change your mind after entering into AGI FX Products with Gleneagle, you must Close Out that product, pay any Transaction costs and take the risk of incurring a loss in doing so.

## 6.10 Ethical Considerations

AGI FX Products do not have an investment component. Labour standards or environmental, social or ethical considerations are not taken into account by Gleneagle when making, holding, varying or Closing Out AGI FX Products.

## 6.11 Jurisdictions

The AGI FX Products offered by this PDS are available only to persons receiving the PDS in Australia.

The distribution of this PDS in jurisdictions outside Australia may be subject to legal restrictions. Any person who resides outside Australia who gains access to this PDS should comply with any such restrictions and failure to do so may constitute a violation of financial services laws. The offer to which this PDS relates is not available to Clients outside Australia.

## 6.12 Gleneagle insurance

Gleneagle has a comprehensive insurance policy in place to cover a variety of different scenarios, some which may assist in the repayment of deficits if there is fraudulent activity by one of Gleneagle's employees, directors or authorised representatives that results in your money being used in fraudulent activities. If the insurance policy is insufficient or the insurer fails to perform its obligations, Gleneagle may not be able to make the payments it owes to you.

## 6.13 Dispute Resolution

Gleneagle wants to know about any problems you may have with the service provided to you so we can take steps to resolve the issue. Gleneagle has an internal and external dispute resolution procedure to resolve complaints from clients who receive financial services. A copy of these procedures may be obtained through our website or by contacting us and requesting a copy (free of charge).

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

1. Contact your adviser and provide the details of your complaint. You may do this by telephone, facsimile, email or letter.
2. If you make a complaint in writing (which is not compulsory), we will acknowledge receipt of your complaint within 1 business day.
3. If your complaint is not satisfactorily resolved through your adviser, within five business days of receipt of your complaint, please contact the Compliance Department on 02 8277 6600 or put your complaint in writing and send it to the Compliance Department at:  
Level 10, 2 Bligh Street  
Sydney NSW 2000

Gleneagle will try to resolve your complaint quickly and fairly. Complaints received in writing will be acknowledged within ten business days of written receipt of your complaint and we will use our best endeavours to try to resolve your complaint within 45 days of receipt of your written complaint.

We will try to resolve your complaint quickly and fairly. We will use our best endeavours to try to resolve your complaint within 45 days of receipt of your written complaint unless we advise you that we require more time due to the nature of your complaint or other reasonable consideration.

4. If you still do not get a satisfactory outcome, you have the right to complain to the Financial Ombudsman Service (**FOS**). FOS is an external complaints and dispute resolution body. The service to you is free. The contact details for FOS are:  
Financial Ombudsman Service  
G.P.O. Box 3,  
Melbourne VIC 3001  
  
Toll Free: 1300 780 808  
Facsimile: +613 9613 6399  
Website: [www.fos.org.au](http://www.fos.org.au)  
Email: [info@fos.org.au](mailto:info@fos.org.au)  
Gleneagle - membership number 14573.
4. The Australian Securities and Investments Commission (**ASIC**) also has an Info line on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

## 6.14 Privacy

All of the information collected by Gleneagle, in the application form or otherwise, is used for maintaining your Account and for the purpose of assessing whether you would be suitable as a Client.

Gleneagle has obligations under, and has procedures in place to ensure its compliance with, the Privacy Act 1988 (Commonwealth), as amended from time to time and the AML laws.

Significantly, these include the following:

1. Collecting personal information

In collecting personal information, Gleneagle is required to:

- collect only information which is necessary for the purpose described above;
- ensure that collection of the information is by fair and lawful means; and
- take reasonable steps to make you, the individual, aware of why the information is being collected and that you may access the information held by us.

If necessary, Gleneagle also collects information on directors of a corporate client or agents or representatives of the Client. Gleneagle may be required by law to collect information, such as for taxation purposes or to identify persons who open or operate an account.

Gleneagle may take steps to verify information given to it, such as consulting registries, referees, employers or credit agencies. This information will not be disclosed to any other person although Gleneagle may disclose this information to its related bodies corporate if you intend to use the services of any of those related bodies corporate.

2. Using the personal information

Once Gleneagle has collected the information from you, Gleneagle will only use the information for the purposes described above unless you consent otherwise.

Personal information may be disclosed to:

- any person acting on your behalf, including your advisor, accountant, solicitor, executor, attorney or other representative;
- related bodies corporate of Gleneagle if you use, or intend to use, services of those other corporations;
- related bodies corporate of the issuer (if that becomes different from Gleneagle);
- any organisations to whom Gleneagle outsources administrative functions;
- brokers or agents who refer your business to Gleneagle (so that we may efficiently exchange information and administer your account);
- regulatory authorities;
- as required or permitted by law or by court order.

This information will not be disclosed to any other person without your consent.

You may access your personal information held by Gleneagle (subject to permitted exceptions), by contacting Gleneagle. We may charge you for that access.

As Gleneagle is obliged by law to take reasonable steps to ensure that the personal information used is accurate, up to date and complete, please inform us immediately if any of the information provided in this Section changes.

### 3. Retaining personal information

Gleneagle has implemented and maintains secure protection of all personal information obtained from misuse, loss, unauthorised access, modification or disclosure.

The information will be destroyed or de-personalised if Gleneagle no longer requires the information for the purpose referred to above.

Gleneagle has a Privacy Policy which covers our privacy obligations and complain about a breach of the Australian Privacy Principles, how we deal such a complaint, that we how may need to share some of your information with organisations outside Australia, and that we how we may store your information in cloud or other types of networked or electronic storage, which can be accessed from various countries via an internet connection. You can obtain a copy of Privacy Policy at [www.AGIfx.com](http://www.AGIfx.com).

## Section 7 – Glossary

**Account** means your account with Gleneagle established under the Account Terms, including all Trading Accounts and all Transactions recorded in them.

**Account Currency** means the currency that the Trading Account is denominated in. Please note that all costs including spread, transaction costs, Finance Charge Adjustment and Finance Credit Adjustment are calculated in that currency.

**Account Terms** means the terms of your Account with Gleneagle, which accompanied your application form, for all of your Trading Accounts by which you deal in Transactions (as amended from time to time). Variations

or additional terms may be notified to you from time to time in accordance with your current Account Terms.

**Ask Price (buy price)** means the Transaction Price, which Gleneagle as the seller is willing to accept i.e., the price at which you can buy the AGI FX Product. This is also known as the “offer price”.

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

**Balance** means the funds available in a Trading Account that may be used for trading AGI FX Products.

**Base Currency** means the first currency represented in a currency pair respect of a FX Product.

**Bid Price (sell price)** means the Transaction Price which Gleneagle as the buyer is willing to accept i.e. the price at which you can currently sell the AGI FX Product.

**Business Day** means a day (other than a Saturday or Sunday or public holiday) on which banks and foreign exchange markets are or will be open for business in Sydney.

**Claims** is used in this PDS to refer to all of the benefit of the claims against the Hedge Counterparty for Gleneagle Clients arising out of the hedge contracts.

**Client** refers to the person who has an Account with Gleneagle.

**Close Out, Closed Out and Closing Out** in relation to a Transaction means discharging or satisfying the obligations of the Client and Gleneagle under the Transaction and this includes matching up the Transaction with a Transaction of the same kind under which the Client has assumed an offsetting opposite position.

**Closing Date** means the date on which the AGI FX Product is agreed to be Closed Out, or earlier, if deemed to be Closed Out in accordance with the Account Terms.

**Closing Price** means the daily closing Current Market Price (or, if an index, level) of the Underlying Reference Instrument (determined by Gleneagle).

**Commodity Derivative** means AGI FX Products whose Underlying Reference Instrument is a commodity.

**Contract Size** means the standard volume per 1 Lot expressed either in ounces or number of contracts.

**Contract Value** means the face value of the AGI FX Product and is calculated by Gleneagle by multiplying the applicable price by the Lot traded and the Contract Size.

**Corporations Act** means the Corporations Act 2001 (Commonwealth) and any regulations made under it, including in any case as amended by any instrument made by the Australian Securities and Investments Commission.

**Current Market Price** is the price available to Gleneagle from Hedge Counterparty, which may be a delayed price depending on whether you have subscribed for live pricing.

**Equity** means the current value of your Trading Account i.e. net worth of funds in the Account, which is calculated by Gleneagle by combining:

- the Balance of the account being the deposit / withdrawals and closed trade profit and loss; and
- the floating (unrealised) profit / loss (positive/negative) of the Open Positions net of fees, charges and costs.

**EUR** means the single currency of the European Economic and Monetary Union.

**Exchange Rate** means, in relation to any currency, any widely recognised and published foreign exchange rate for value Spot selected by Gleneagle in its sole discretion. The foreign exchange rate is always quoted as to how much of the Variable Currency, for 1 unit of the Base Currency, is worth.

**Finance Charge Adjustment** means the amount you pay in respect of your Transaction, in accordance with the Account Terms.

**Finance Credit Adjustment** means the amount you receive in respect of your Transaction, in accordance with the Account Terms.

**Free Margin** means the value of funds that are available for opening a position. It is calculated by Gleneagle by subtracting from the Equity the required Margin.

**FX** means foreign exchange.

**FX Product** means an OTC contract whose Underlying Reference Instrument is a currency.

**Gleneagle** means Gleneagle Securities (Aust) Pty Limited ABN 58 136 930 526; AFSL 337 985 and, in accordance with the terms, any person who is a permitted assignee or other successor to Gleneagle.

**Gleneagle Trust Account** means the bank account maintained by Gleneagle as a trust account under Section 981B of the Corporations Act. (It is not part of your Account but if you have any moneys in it you are entitled to payment from it in accordance with the Corporations Act.) Gleneagle has established the bank account just for Client payments for AGI FX Products.

**Hedge Counterparty** means an entity that Gleneagle enters into hedge contracts with to manage Gleneagle's exposure to AGI FX Products.

**Initial Margin** means the amount which you are required to pay to Gleneagle as Margin for any Transaction which you propose to enter into.

**Index** and **Indices** refers to AGI FX Products whose Underlying Reference Instrument is an index comprised of securities of issuers listed on an Exchange, typically an index sponsored or promoted by an Exchange. The S&P™/ ASX 200™ is an example, so a S&P™/ ASX 200™ Index is an index whose Underlying Reference Instrument is the S&P™/ ASX 200™ and the values are based on the index levels of the S&P™/ ASX 200™. The index sponsor has no involvement in the AGI FX Product.

**JPY** means the lawful currency of Japan.

**Leverage Rate** means a transaction size/ margin ratio for each AGI FX Product. For example, the 1:100 Leverage Rate means that the Client is required to have 1% of transaction size in its Account as Margin.

**Lot** means the unit that represents the volume of a Transaction taking into consideration the Contract Size. It can be represented as a portion of a Lot subject to the minimum Lot size, for example (0.1 of a lot) being referred to as a mini Lot or (0.01 of a Lot) being referred to as a micro Lot. For example 1 Lot in EURUSD equals 100,000 EUR being the Base Currency unit and 0.1 Lot is therefore 10,000 units of Base Currency.

**Margin** means the amount of cash paid to Gleneagle and credited to your Account as Margin.

**Margin Level** means the Equity to Margin ratio calculated as Equity divided by Margin.

**Metal Product** means a AGI FX Product whose Underlying Reference Instrument is a contract in respect of metal (including in relation to gold or silver), on a Spot basis only, and payment in United States dollars.

**MT4 Trading Platform** means online trading platform for trading in AGI FX Products.

**NZD** means the lawful currency of New Zealand.

**Open Position** means, at any time, a Transaction which has not been Closed Out, or settled prior to the time agreed for settlement.

**Order** means any order placed by you to enter into a Transaction.

**OTC** means "over the counter", in contrast with traded on a regulated exchange.

**OTC contract** means an over the counter contract for a financial product.

**Overnight** means end of a trading day at 17:00 new york local time

**Pending Order** means either a buy stop or sell stop, a buy limit or sell limit order.

**Points** or **Pips** means in the context of FX Product is the smallest increment by which a FX Product Price changes and is quoted depending on the number of decimal places the currency is quoted. For example on a USD/JPY Transaction, which is quoted with only two decimal (meaning one Pip = JPY 0.01).

**Point Value** or **Pip value in the context of FX Product** means the value of a point or pip for 1 Lot denominated in the Account Currency being the smallest increment by which an FX Product price or Exchange Rate changes also referred to as a Tick. You can calculate the value of a single pip or point denominated in the Account Currency, for instance, if you know that the EUR/USD is quoted with four decimals, so for a 100,000 position you can multiply the 100,000 by the Tick being the four decimal value of one pip, or USD 0.0001. So, on a EUR/USD 100,000 Transaction, the Point Value for 1 Pip would equal USD 10. On a USD/JPY 100,000 Transaction, the Value for 1 pip is equal to JPY 1000 because USD/JPY is quoted with only two decimal (meaning one Pip = JPY 0.01), which would be converted at the current Exchange Rate to get an amount in USD.

**AGI FX Product** means an OTC contract whose Underlying Reference Instrument is FX, issued by Gleneagle under the Account Terms to Clients who apply for those products by way of the application form specifically labelled for "AGI FX Products".

**Spot** means an **OTC contract** whose theoretical Value Date for a Transaction will occur two Business Days following the day on which the Transaction is entered into.

**Security Trust** means the trust created under the document "Declaration of Limited Trust" and nominated for Clients as beneficiaries. The material features are disclosed in Section 3 "Your Counterparty Risk on Gleneagle" subheading "Security Trust". A copy of its legal terms is available free of charge on request. (Please remember that this Security Trust relates only to Client's AGI FX Products issued by Gleneagle.)

**Security Trust Bank Account** means Gleneagle's bank account, held under the Security Trust, for holding surplus moneys (if any) to benefit Clients. (Please remember that the Security Trust and so also this bank account relate only to Client's AGI FX Products issued by Gleneagle.)

**Spread** means the difference between the Bid Price and the Ask Price of AGI FX Products.

**Surplus** is used in this PDS to refer to all of the surplus funds from Clients' payments to Gleneagle which are not paid to the Hedge Counterparty or paid as fees, charges and costs on AGI FX Products. These funds (if any) are held in a Security Trust Bank Account.

**Swap Rate** means the rate, usually displayed as swap Points, nominated by Gleneagle for this defined term from time to time, as notified to you (including through the online trading platform) or by contacting AGI FX.

**Tick** in the context of FX Products means the smallest increment by which an FX Product price or Exchange Rate changes. Please note that in most currencies the tick is 0.0001 of the currency unit. There are exceptions for example when JPY is the Variable Currency the Tick value is equal to 0.01. The website also displays the Tick for each of the AGI FX Products.

**Trading Account** means Trading Accounts established under the Account Terms offered by Gleneagle for trading purposes.

**Transaction** means a transaction in any of the kinds of AGI FX Product which are traded under the Account Terms.

**Transaction Fee** means the fee or commission from time to time specified by Gleneagle to be the amount payable by you to Gleneagle in respect of each Transaction as set out in this PDS or as later varied in accordance with the Account Terms and this PDS.

**Transaction Price** means, for AGI FX Products, the Exchange Rate and, for Metal Products it is the price of buying or selling the financial product.

**Trigger Event** means any one of the following: (i) an insolvency event occurring with respect to Trustee or Hedge Counterparty; and (ii) a breach by the trustee of the Security Trust (which is Gleneagle until it is ever replaced as trustee) that materially adversely affects the interests of clients as a class of beneficiaries of the Security Trust. For this definition, a insolvency event means, for a corporation, being in liquidation or provisional liquidation or under administration, having a controller or analogous person appointed to it or any of its property, being taken under section 459F(1) of the Corporations Act 2001 (Commonwealth) to have failed to comply with a statutory demand, being unable to pay its debts or otherwise insolvent, entering into a compromise or arrangement with, or assignment for the benefit of, any of its members or all of its creditors, or any analogous event under any law. Please note that this defined term is based on the corresponding defined terms in the Security Trust and have been slightly modified for clarity in this PDS. Please refer to the Security Trust in full for all of the terms.

**USD** means the lawful currency of the United States of America.

**Variable Currency** means the second mentioned currency in respect of a FX Product position.

**Underlying Reference Instrument** means the product which is used as the basis for the calculations of prices for your AGI FX Products, such as FX, a share or similar equity financial product, commodity, option, Futures Contract, index or other item (or any combination of one or more of those). The term "Underlying Reference Instrument" corresponds with the expression "Underlying Security" as used in the Account Terms.

**Value Date** means the theoretical date of delivery if the product could be settled by physical or deliverable settlement.