



GLOBAL PRIME

PRODUCT DISCLOSURE STATEMENT

Date: 29 March 2021

Global Prime Pty Limited | ABN 74 146 086 017 | AFSL 385620

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Section 1 – Important Information

1.1 This PDS

This Product Disclosure Statement (**PDS**) is dated 29 March 2021 and was prepared by Global Prime Pty Ltd ABN 74 146 086 017; AFSL 385 620 (**Global Prime**), as the issuer of the following over the counter (**OTC**) Products:

- spot foreign exchange currency pairs (Spot FX Product);
- spot metals (Spot Metals Product);
- Commodity Derivatives;
- Equity Derivatives,
- Futures Derivatives,
- Cryptocurrency Derivatives and
- Indices

collectively referred to as **Global Prime Products**.

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

This PDS describes the key features of Global Prime Products, their benefits, risks, the costs and fees of trading in Global Prime Products and other related information. Global Prime Products are sophisticated financial products so you should read this PDS and the Financial Product Service 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 Global Prime 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 Global Prime does not give personal advice

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

describes the Global Prime Products which are issued to you in accordance with the Financial Product Service Terms. You should read all of this PDS and the Financial Product Service 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 Financial Product Service Terms prior to entering into any Transactions with us. Global Prime recommends that you obtain independent legal, financial and tax advice before trading.

1.3 Your Suitability to Trade Global Prime Products

If we ask you for your personal information to assess your suitability to trade Global Prime Products and we accept your application to trade Global Prime 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 Global Prime Products. You remain solely responsible for your own assessments of the features and risks and seeking your own advice on whether these Global Prime Products or any particular OTC Products are suitable for you.

1.4 Currency of PDS

A copy of this PDS and the Financial Product Service Terms can be downloaded from the website or you can call Global Prime 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 our website (www.globalprime.com.au). 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 our website (at www.globalprime.com.au) or by calling us using the contact details given in this document. If you ask us, we will send you without charge a paper copy of the information.

1.5 Contact

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Section 2 – Features Key Information

2.1 Key Features of Global Prime Products

- Global Prime Products are sophisticated, high-risk, over-the counter financial products issued by Global Prime. They are not exchange-traded.
- Each Global Prime Product which is agreed and entered into with you will be entered into by Global Prime as principal. Global Prime 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 Global Prime Products are expressed in Lot Sizes, depending on the particular financial product traded.
- You (the **Client**) must fund your Account with Global Prime before Global Prime 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 Global Prime Products can be Closed Out and you remain liable to pay for any remaining shortfall.
- There is a degree of leverage in Global Prime Products consistent with ASIC Product Intervention Order – Contracts For Difference instrument 2020/986, (ASIC Product Intervention Order – Contracts For Difference) because you pay to Global Prime only Margin, not the full face value. All payments to Global Prime for Global Prime Products are paid as Margin, therefore the more Margin you pay, the less leverage you have.
- Global Prime will apply its Negative Account Balance Policy to Negative Balances on your Account.

2.2 Key Benefits of Global Prime Products

- **Hedging:** Global Prime Products can be used as important risk management tools. For example, FX Products are used to hedge foreign exchange currency exposures, protect against adverse exchange rate movements and provide certainty of foreign exchange rates and cash flow. Commodity Derivatives, Equity Derivatives, Futures Derivatives, Options and Metal Products can give some protection against movements in the market price of the underlying asset and provide increased cash flow certainty.
- **Speculation:** Global Prime Products can be used for speculation, with a view to profiting from fluctuations in the underlying market, e.g., exchange rate fluctuations for FX Products or the market price of the underlying asset for Commodity Derivatives, Futures Derivatives, Options Equity Derivatives and Metal 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 Global Prime Products is that the transaction is not forced to have the same standardised contract specifications as the exchange traded contracts. For example, Global Prime 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 Global Prime Products involves a degree of leverage consistent with ASIC Product Intervention Order – Contracts For Difference. 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.
- **Negative Account Balance Policy:** Where the net balance of your accounts with Global Prime has fallen below zero, you will be eligible for



relief under the Negative Account Balance Policy.

2.3 Key Risks of Global Prime Products

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

- **Leverage** – Global Prime Products are leveraged and consistent with ASIC Product Intervention Order – Contracts For Difference. This is because the amount you pay (Margin) to Global Prime 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 Global Prime more Margin and those Margin requirements changing rapidly in response to changes in the relevant underlying market.
-
- **Limited recourse** – Global Prime limits its liability to you under the terms of the Global Prime Products by the extent to which Global Prime actually recovers against its Hedge Counterparty and allocates that to your Global Prime 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 Global Prime”.
- **Margining** – You are liable to pay Margin before Global Prime Products are issued and you may be required to pay more Margin before Global Prime 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 Global Prime Products may be Closed Out without notice to you.

It is important that you accept the risk that if you use your Non-margin product as Margin and so contribute towards meeting your Margin requirements arising from the Global Prime Products, there may be additional Margin requirements relating to your Account and those Non-margin products are at the same risk as your Margin products.

- **Foreign Exchange** – Global Prime 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 Global Prime will not meet its obligations to you under the Global Prime Products. Global Prime Products are not exchange-traded so you need

to consider the credit and performance risk you have on Global Prime and the limited recourse arrangements. This is further explained in Section 3 under “Your Counterparty Risk on Global Prime”.

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 Global Prime Products you choose;
- whether you understand the terms of Global Prime 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 Global Prime Products;
- whether you understand that the nature of trading in OTC financial products such as Global Prime Products do not provide investors with interests or rights in the underlying financial products which relate to the Global Prime Products;
- whether you understand the processes and technologies used in trading Global Prime Products;
- whether you can monitor your investments in Global Prime and manage them in a volatile market;
- whether you can manage the risks of trading in Global Prime 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 Global Prime 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 Global Prime 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 Global Prime Products nor does it imply that we are responsible for any of your losses from trading in Global Prime Products.

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

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

2.5 Nature of Global Prime Products

Global Prime Products are sophisticated over-the-counter financial product that you buy from Global Prime. 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, spot precious metals, equities, futures and options. The amount of profit or loss is determined by the difference between the price at which the Global Prime 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 Global Prime Product or the Underlying Reference Instrument takes place.

Global Prime 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 Global Prime Products are based on the Financial Product Service Terms with Global Prime, which apply to your Trading Account(s) and your Global Prime Products.

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

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

- the difference between the Transaction Price of the Global Prime Products when the Transaction is opened and the Transaction Price of the Global Prime 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 Global Prime Products except Commodity Derivatives, Futures Derivatives and Options, any Finance Charge Adjustment / Finance Credit Adjustment on the position held overnight;
- any adjustments made in respect of the Equity Derivatives (e.g., for dividends);
- any Transaction Fees payable in respect of the Global Prime Products and any other charges (for more information on Fees and Charges see Section 5 of this PDS).

Your Equity or Account Value 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 Trading Accounts offered by Global Prime

The Trading Accounts offered by Global Prime are traded on the various Global Prime Trading Platforms. The Prime MT Trader and Global Trader are online trading platforms offered to all Clients so that Clients can execute the Global Prime Products and the platform offers online reporting of Client statements.

The Equity Derivatives traded with the Global Prime dealing desk are usually Equity Derivatives traded on IRESS Trader unless the dealing desk have placed the trades on your behalf on Global Trader since not all clients have access to the IRESS Trader online trading platform (but remember that Global prime always acts as principal when issuing its Global Prime Products to you). IRESS Trader does have online reporting of Client statements and these statements are usually generated by another system so these statements would therefore not be referenced with the online trading platform where the trades had been executed on.

2.6.1 Prime MT (Meta Trader) Trading Account

These Trading Accounts are traded on the Global Prime Trading Platforms being Prime MT Trader which can be accessed via the online trading platform or via the dealing desk who will place the trades on the Prime MT Trader on your behalf.

The Global Prime Products offered on these Trading Accounts are the Spot FX Product and Spot Metal Products and Indices.

The trading conditions (for example the order types, minimum Lot sizes or units the Margin requirement and the daily Finance Charge Adjustment and



Finance Credit Adjustment calculations and other features) for the financial products offered on the Prime MT Trader you can become familiar with and can be made available to you by downloading a demo account.

2.6.2 Global Trader Trading Accounts

These Trading Accounts are traded on the Global Prime Trading Platforms being Global Trader which can be accessed via the online trading platform or via the dealing desk who will place the trades on the Global Trader on your behalf.

The Global Prime Products offered on these Trading Accounts are the Spot FX Product, Spot Metal Products, Equity Derivatives, Futures Derivatives, Options on FX, Commodity Derivatives and Indices.

The trading conditions (for example the order types, minimum Lot sizes, the Margin requirement and the daily Finance Charge Adjustment and Finance Credit Adjustment calculations and other features) for the financial products offered on the Prime MT Trader you can become familiar with and can be made available to you by downloading a demonstration account.

2.6.3 IRESS Trader Trading Accounts

These Trading Accounts are traded on the Global Prime Trading Platform being IRESS Trader which can be accessed via the dealing desk who will place the trades on the IRESS Trader on your behalf.

The Global Prime Products offered on these Trading Accounts are the Equity Derivatives.

2.6.4 Trader Evolution Trading Account

These Trading Accounts are traded on the Global Prime Trading Platforms being Trader Evolution, which can be accessed via the online trading platform or via the dealing desk who will place the trades on the Trade Evolution platform on your behalf.

The Global Prime Products offered on these Trading Accounts are the Spot FX Product and Spot Metal Products and Indices.

The trading conditions (for example the order types, minimum Lot sizes or units the Margin requirement and the daily Finance Charge Adjustment and Finance Credit Adjustment calculations and other features) for the financial products offered on the

Prime MT Trader you can become familiar with and can be made available to you by downloading a demonstration account.

2.7 Types of Global Prime Products

2.7.1 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 Global Prime 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 Global Prime Products traded on the various Global Prime Trading Platforms, for instance the minimum Lot size traded on the Prime MT Trader 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".

Example: Buying USD/JPY

This example assumes that:

- the Trading Account base currency selected is USD
- no brokerage, commission or Transaction Fee is charged
- the Leverage Rate for major Spot FX Product is 1:30 i.e. Initial Margin is set at 3.3% of the Contract Value;
- 1 Lot of FX Product is equivalent to 100,000; and
- the price of the Global Prime Spot FX Product moves in line with the market price of the FX Product.

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 USD 500,000. We quote you 73.41/73.43 and you buy 5 lots at 73.43.

Initial Margin

The Initial Margin required to open your position was

$$3.33\% \times \$100,000 \times 5 = \text{USD}16,650$$

Finance Charge Adjustment

If the applicable Swap Rate is negative 0.03 points for 'long' positions and the Point Value for 1 Lot is USD13.09, then the Finance Charge Adjustment for a particular day would be USD1.96.

Closing the position

Later, the 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:

$$\begin{aligned} \text{Closing transaction: } & \text{USD}500,000 \text{ (5 Lots)} \times 76.87 \\ & = \text{¥}38,435,000 \end{aligned}$$

$$\begin{aligned} \text{Opening transaction: } & \text{USD}500,000 \text{ (5 Lots)} \times 73.43 \\ & = \text{¥}36,715,000 \end{aligned}$$

$$\begin{aligned} \text{Gross profit on trade: } & \text{¥}1,720,000 \text{ equivalent to} \\ & \text{USD}22,375.44 \end{aligned}$$

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, incurring a total a Finance Charge Adjustment debit of USD39.20

$$\text{Gross profit on trade: } \text{USD}22,375.44$$

$$\text{Finance Charge Adjustment: } (\text{USD } 39.20)$$

$$\text{Net profit: } \text{USD}22,336.24$$

Example: Selling AUD/USD

This example assumes that:

- the Trading Account base currency selected is AUD
- no brokerage, commission or Transaction Fee is charged
- the Leverage Rate for major Spot FX Product is 1:30 i.e. Initial Margin is set at 3.3% of the Contract Value;
- 1 Lot of FX Product is equivalent to 100,000; and
- the price of the Global Prime Spot FX Product moves in line with the market price of the FX Product.

Opening the position

You decide to sell the Australian dollar against the US Dollar, and ask for a quote for 3 lots, the equivalent of AUD 300,000. We quote you 0.73005/0.73008 and you sell all 3 lots at 0.73005.

Initial Margin

The Initial Margin required to open your position was $3.33\% \times \$100,000 \times 3 = \text{AUD}10,000$

Finance Charge Adjustment

If the applicable Swap Rate is positive 0.05 points for 'short' positions and the Point Value for 1 lot is USD13.69, then the Finance Charge Adjustment part a particular day would be credit USD2.05.

Closing the position

Later, the AUDUSD position has risen to 0.73018/0.73021, and you close your trade by buying 3 lots at 0.73021. Your gross loss on the trade is calculated as follows:

$$\begin{aligned} \text{Closing transaction: } & \text{AUD}300,000 \text{ (3 lots)} \times 0.73021 \\ & = \text{USD}219,063 \end{aligned}$$

$$\begin{aligned} \text{Opening transaction: } & \text{AUD}300,000 \text{ (3 lots)} \times 0.73005 \\ & = \text{USD}219,015 \end{aligned}$$

$$\begin{aligned} \text{Gross Loss on trade } & \text{USD}48 \text{ equivalent to} \\ & \text{AUD}65.73 \end{aligned}$$

Calculating the overall result

To calculate the overall net loss, you also have to take account of the Finance Credit Adjustment. In this example, you might have rolled the position for 3 days, providing a Finance Credit Adjustment of credit AUD6.15.

$$\text{Gross Loss on trade: } \text{AUD}65.73$$

$$\text{Finance Credit Adjustment: } (\text{AUD } 6.15)$$

$$\text{Net Loss: } \text{AUD}59.58$$

2.7.2 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 Global Prime Products traded on the various Global Prime Trading Platforms, 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”.

The swap or rollover rate that is applied will be tripled for positions held over the Wednesday to Thursday rollover period.

Example: Buying spot gold:

- This example assumes that:
- the Trading Account base currency selected is USD
- no brokerage, commission or Transaction Fee is charged
- the Leverage Rate for gold is 1:20 i.e. Initial Margin is set at 5% of the Contract Value;
- 1 Lot of gold is equivalent to 100 ounces; and

the price of the Global Prime 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 USD1,724.65/1725.15 and you buy 1 lots at USD1725.15.

Initial Margin

The Initial Margin required to open your position is $5\% \times \text{USD}1,725.15 \times 100 = \text{USD}8,625.75$

Finance Charge Adjustment

While the position remains open, the daily swap is USD5.70.

Closing the position

Later, gold has risen to 1,750.00/1,750.05, and you take your profit by selling 1 Lot at 1,750. Your gross profit on the trade is calculated as follows:

Closing level: USD1,750.00

Opening level: USD1,725.15

Difference: USD24.85

Gross profit on Transaction: $\text{USD}24.85 \times 100 = \text{USD}2,485$

Calculating the overall result

To calculate the overall net profit, you also have to take account of the Finance Charge Adjustment. In this example, you might have rolled the position for 10 days, incurring a total Finance Charge Adjustment of USD57:

Gross profit on trade: USD2,485.00

Finance Charge Adjustment: (USD 57.00)

Net profit: USD2,428.00

Example: Selling spot silver:

This example assumes that:

- the Trading Account base currency selected is USD
- no brokerage, commission or Transaction Fee is charged
- the Leverage Rate for a commodity derivative (other than gold) is 1:10 for a i.e. Initial Margin is set at 10% of the Contract Value;
- 1 Lot of silver is equivalent to 5,000 ounces; and
- the price of the Global Prime Spot Metal Product moves in line with the market price of the spot silver.

Opening the position

You consider that silver is overvalued and wish to speculate the price will go lower. You decide to sell silver, and ask for a quote for 1 lot, the equivalent of 5000 ounces. We quote you USD14.441/1444 and you buy 1 lot at USD14.441.

Initial Margin

The Initial Margin required to open your position is $10\% \times \text{USD}14.441 \times 5,000 = \text{USD}7,200$

Finance Charge Adjustment

While the position remains open, the daily swap is USD3.10.

Closing the position

Later, silver has decreased to USD14.214/14.218, and you take your profit by buying 1 Lot at USD14.218. Your gross profit on the trade is calculated as follows:

Closing level: USD14.218

Opening level: USD14.441



Difference: USD0.223

Gross profit on Transaction: $\text{USD0.223} \times 5000 = \text{USD1,115}$

Calculating the overall result

To calculate the overall net profit, you also have to take account of the Finance Charge Adjustment. In this example, you might have rolled the position for 5 days, incurring a total Finance Charge Adjustment of USD15.5:

Gross profit on trade: USD1,115.00

Finance Charge Adjustment: (USD 15.50)

Net profit: USD1,099.50

2.7.3 Equity Derivatives

Equity Derivatives are OTC agreements which derive their price from the fluctuations of the spot price of the Underlying Reference Instrument on the relevant Exchange or market.

Prices are only quoted for Equity Derivatives and can only be traded during the open market hours of the relevant Exchange on which the Underlying Reference Instrument is traded or within any more limited hours set by Global Prime from time to time.

Global Prime might not quote for an Equity Derivative for a particular Underlying Reference Instrument if that Underlying Reference Instrument is illiquid or is in suspension (for more information on potential external disruptions see Section 4 of this PDS). Furthermore, Global Prime might not quote Equity Derivatives if the Equity Derivative is over shares in a company which becomes externally administered. These features may occasionally raise significant risks to you so please see Section 4 of this PDS.

Equity Derivatives allow you to receive economic benefits similar to those from directly owning the Underlying Reference Instrument on which the Equity Derivative is based without physically or legally owning it (for more information on benefits of trading in Global Prime Products refer to Section 2 under “Key Benefits of Global Prime Products” of this PDS).

For more information on which Equity Derivatives are offered depending on the Trading Account established and Global Prime provides quotes, please download a demonstration trading platform located on the Global Prime website www.globalprime.com.au or obtain the information on the website or contact Global Prime. The available Equity Derivatives may change at times due to market conditions, Exchange rules and any limits set by Global Prime.

Equity Derivatives 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.

Example: Opening and closing a ‘long’ Equity CFD traded on IRESS Trading Platform

This example assumes that:

- the Trading Account base currency selected is AUD;
- the Leverage Rate for CFD referencing shares is 1:5 i.e Initial Margin is set at 20% of the Contract Value; and
- 1 Lot is equivalent to 1 Equity CFD Contract.

Opening the position

XYZ Limited shares are quoted at AUD2.85/2.86 on the Australian Securities Exchange, and you believe that their price will rise. You decide to ‘buy’ 1,000 Equity CFD contracts at AUD2.86, the offer price. While your XYZ Limited position remains open, your Trading Account is debited to reflect interest adjustments and credited to reflect any dividends. The Account Currency selected is United States dollars. Brokerage, commission or Transaction Fee is charged when the position is opened and closed at AUD0.10 per 1 Equity CFD contract. The Initial Margin is set at 20% of the Equity CFD. The Finance Rate for an Equity CFD held Overnight for an USD Equity CFD is negative 5.61% for ‘long’ positions. The price of the Equity CFD moves in line with the market price of the shares quoted on the exchange.

Initial Margin

The Initial Margin required to open your position was $20\% \times \text{AUD2.86} \times 1,000 = \text{AUD572}$.

Closing the position

Some weeks later, XYZ Limited has risen to AUD3.20/3.21 on the exchange and you decide to take your profit. You sell 1,000 Equity CFD Contracts at AUD3.20, the bid price. Your profit on the Transaction is calculated as follows:

Closing level: AUD3.20
 Opening level: AUD2.86
 Difference: AUD0.34
 Gross profit on Transaction: $\text{AUD0.34} \times 1000 = \text{AUD340}$

Finance Charge Adjustment

Interest costs (imposed by way of the Finance Charge Adjustment) are calculated daily on positions held Overnight by applying the applicable interest rate (Finance Rate) to the Contract Value of the Equity CFD Positions, at the time the Equity CFD is established. For example, if the applicable Finance Rate is negative 5.61% p.a., then the Finance Charge Adjustment for a particular day would be AUD0.44. Finance Charge Adjustments are calculated and reflected on your Global Prime Account on a daily basis which is taking into account in your Equity or Account Value amount.

Transaction Fee

For Equity CFDs, a Transaction Fee is payable by way of the Transaction Fee on the opening and closing of the Transaction. In the above example the Transaction Fee payable would be:

of Equity CFD contracts = 1,000 x AUD0.1 = \$100.00

Calculating the overall result

To calculate the overall or net profit on your Equity CFD Transaction you have to take into account the Transaction Fees you have paid and the Finance Charge Adjustment and dividend adjustments that have been credited or debited. In the above example, you might have held the position for 21 days, at a total interest cost of AUD9.24. During this time if XYZ Limited declared a cash dividend of 6 cents per equity your Trading Account would be posted with a credit for a dividend adjustment of AUD60 (1,000 x AUD0.06).

Here is a summary (this and later summaries exclude the effect of tax on your financial situation):

Gross profit on Transaction:	AUD340.00
Total Transaction Fees:	(AUD100.00)
Finance Charge Adjustment:	(AUD 9.24)
Dividend adjustment:	AUD 60.00
Net profit on Transaction:	AUD 290.76

Example: Opening and closing a 'short' or 'sold' Equity CFD Contract traded on IRESS Trading Platform.

Opening the position

It is July and you think ABC Limited shares are about to fall. The share is quoted on the Australian Securities Exchange at AUD3.71/3.72. You sell 1,000 Equity CFD contracts at \$3.71, which is the bid price at the time. The Transaction Fee payable would be AUD100.00 (1,000 x AUD0.10). Your Trading Account balance is currently AUD5,000 before this Transaction takes place. The Account Currency selected is Australian dollars. Brokerage, commission or Transaction Fee is charged when the position is opened and closed at 0.10 % of the Contract Value. The Initial Margin is set at 20% of the Equity CFD. The Finance Rate for an Equity CFD held Overnight for an Australian Equity CFD is positive 2.25% for 'short' positions.

Initial Margin

The Initial Margin required to open your position was 20% x AUD3.71 x 1,000 = AUD371.

Finance Charge Adjustment

Since you have taken a short position, in this example your Finance Rate is positive 2.25%, then the Finance Charge Adjustment for a particular day would be of AUD0.23 is calculated and reflected as a credit on your Trading Account on a daily basis which is taking into account in your Equity or Account Value amount.

Dividend adjustment

At the end of August your position is still open at the time of the ABC Limited ex-dividend date. The amount of the declared cash dividend is 10 cents per share and this is debited from your Account. The adjustment is calculated as follows: 1,000 x AUD0.10 = AUD100.

Closing the position

By early September, ABC Limited has risen to AUD3.97/3.98 on the exchange and you decide to cut your loss and close the position. You buy 1,000 Equity CFD contracts at AUD3.98, the ask price. Your gross loss on the Transaction is calculated as follows:

Closing level:	AUD3.98
Opening level:	AUD3.71
Difference:	AUD0.27
Gross loss on Transaction:	AUD0.27 x 1,000 = AUD270



Calculating the overall result

To calculate the overall or total loss on the Equity CFD Transaction you also have to take account the Transaction Fees you have paid and the Finance Charge Adjustments and dividend adjustments. In this example, you might have held the position for 65 days, charging a total Finance Charge Adjustment of AUD14.87. Your Account has been debited for a dividend adjustment of AUD100. The overall or total result of the Transaction is a loss, which is calculated as follows:

Gross loss on Transaction:	(AUD270.00)
Total Transaction Fee:	(AUD100.00)
Finance Charge adjustment:	AUD 14.87
Dividend adjustment:	(AUD100.00)
Overall or total loss:	(AUD455.13)

2.7.4 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 Global Prime 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, Global Prime'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 Global Prime

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.

The swap or rollover rate that is applied will be tripled for positions held over the Friday to Saturday rollover period.

Example: Buying AUS200:

This example assumes that:

- the Trading Account base currency selected is AUD
- no brokerage, commission or Transaction Fee is charged
- the Leverage Rate for major stock market index is 1:20 i.e. Initial Margin is set at 5% of the Contract Value

Opening the position

You consider that AUS200 is going to rise over the medium term due to a positive economic outlook and wish to speculate the price will go higher. You decide to buy AUS200, and ask for a quote for 2 lot, the equivalent of 2 units. We quote you AUD6100/6102 and you buy 2 lots at AUD6,102.

Initial Margin

The Initial Margin required to open your position is $5\% \times \text{AUD}6,102 \times 2 = \text{AUD}122.04$

Finance Charge Adjustment

While the position remains open, the daily swap is AUD2.20.

Closing the position

Later, AUS200 has increased to AUD6,2106,212, and you take your profit by selling 2 Lots at AUD6,210. Your gross profit on the trade is calculated as follows:

Closing level:	AUD6,210
Opening level:	AUD6,102
Difference:	AUD 108

Gross profit on Transaction: $\text{AUD } 108 \times 2 = \text{AUD}216$

Calculating the overall result

To calculate the overall net profit, you also have to take account of the Finance Charge Adjustment. In this example, you might have rolled the position for 8 days, incurring a total Finance Charge Adjustment of AUD17.6:

Gross profit on trade:	AUD216.00
Finance Charge Adjustment:	(AUD 17.60)
Net profit:	AUD198.40

Example: Selling AUS200:

This example assumes that:

- the Trading Account base currency selected is AUD
- no brokerage, commission or Transaction Fee is charged



- the Leverage Rate for major stock market index is 1:20 i.e. Initial Margin is set at 5% of the Contract Value

Opening the position

You consider that AUS200 is going to drop over the medium term due to rising interest rates and wish to speculate that this drop will occur. You decide to sell AUS200, and ask for a quote for 4 lots, the equivalent of 4 units. We quote you AUD6,100/6,102 and you sell 4 lots at AUD6,100.

Initial Margin

The Initial Margin required to open your position is $5\% \times \text{AUD}6,100 \times 4 = \text{AUD}1,22$

Finance Charge Adjustment

While the position remains open, the daily swap is AUD2.20.

Closing the position

Later, AUS200 has increased to AUD6,210/6,212, and you take cut your loss by buying 4 Lots at AUD6212. Your gross profit on the trade is calculated as follows:

Closing level:	AUD6,212
Opening level:	AUD6,100
Difference:	AUD 112
Gross loss on Transaction:	$\text{AUD } 112 \times 4 = \text{AUD}448$

Calculating the overall result

To calculate the overall net loss, you also have to take account of the Finance Charge Adjustment. In this example, you might have rolled the position for 20 days, incurring a total Finance Charge Adjustment of AUD44:

Gross loss on trade:	AUD448
Finance Charge Adjustment:	AUD44
Net loss:	AUD492

2.7.5 Commodity Derivatives

Commodity Derivatives are an easy way to access indirectly commodities markets, such as oil and gas. Commodity Derivatives give traders and investors indirect exposure to the underlying commodity without physical delivery, with the trading features of Global Prime 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 and varies depending on the Global Prime Products traded on the various Global Prime Trading Platforms

For instance, trading on Global Trader, the Commodity Derivative minimum quantity of US Crude Oil is equivalent to 25 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 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.

Example: Buying a 'short' Agricultural Commodity Derivative Product

- the Trading Account Currency is United states dollars
- no brokerage, commission or Transaction Fee is charged
- the Leverage Rate for the Commodity Derivative is 1:10, i.e. Initial Margin is set at 10% of the Contract Value
- 1 lot is equivalent to 1,000 pounds; and
- cotton spot contracts are priced in US dollar cents per pound.

Opening the position

You think that cotton is currently overpriced and expect the price to fall in the short term. You buy cotton Product for selling 1.0 Lots i.e. 1,000 pounds of cotton to benefit from the price fall you expect in the market, You sell 1.0 Lots i.e. 1,000 pounds of cotton at USD Cents 80.100, the bid price at the time.

Initial Margin

The Initial Margin required to open your position was calculated as $10\% \times \text{USD Cents } 80.100 \times 1000 \text{ lbs} = \text{USD Cents } 8,010 = \text{USD}80.10$

Finance Charge Adjustment

Since you have taken a short position, in this example your Finance Rate is negative 5.35%, then the Finance Charge Adjustment for a particular day would be of USD0.12.

Closing the position

The price of cotton falls to USD cents 78.625 a pound after 14 days. You buy 1.0 Lots i.e. 1,000 lbs



of cotton at USD cents 78.625 the Close price. Your gross profit on the trade is calculated as follows:

Closing level:	USD Cents 78.625
Opening level:	USD Cents 80.100
Difference:	USD Cents 1.475

Calculating the overall result

To calculate the overall net loss, you also have to take account of the Finance Charge Adjustment. In this example, you might have rolled the position for 14 days, incurring a total Finance Charge Adjustment of USD1.68:

Gross profit on trade:	USD14.75
Finance Charge Adjustment:	(USD1.68)
Net Profit on trade:	USD13.07

2.7.6 Futures Derivatives

Futures Derivatives are OTC agreements which derive their price from the fluctuations of the Underlying Reference Instrument, being a Futures Contract including a Futures Contract traded on the ASX 24 (formerly known as the Sydney Futures Exchange), without actually owning that financial product or having any indirect interest in the financial product.

Prices are only quoted for Futures Derivatives and can only be traded during the open market hours of the relevant Exchange on which the Underlying Reference Instrument being the Futures Contract is traded or within any more limited hours set by Global Prime from time to time.

Futures Derivatives are an easy way to access indirectly futures markets.

Instead of directly trading Futures Contracts on Exchanges – with sometimes prohibitive high collateral requirements – investors can access leveraged futures trading with reduced initial investment through Futures Derivatives.

Futures Derivatives have set expiry dates, upon or after which the position will be Closed Out automatically.

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

To help ensure you understand the features and risks of Futures Derivatives, the following section describes Futures Contracts and some kinds of them. Please bear in mind, though, this describes the Underlying Reference Instrument being the Futures Contracts which are exchange-traded Futures Contracts, so it does not describe your Futures

Derivatives nor do you have any interest in any hedge contract held by Global Prime. You should always read and understand the full terms of your Futures Derivatives by reading this PDS and the terms of your Account in full.

Types of Futures Contracts

There are two main types of Futures Contracts. One is an agreement under which the seller agrees to deliver to the buyer, and the buyer agrees to take delivery of, the quantity of the commodity described in the contract. Such contracts are described as deliverable contracts.

The other kind is an agreement under which the two parties will make a cash adjustment between them according to whether the price of a commodity or security has risen or fallen since the time of contract was made. Such contracts are described as cash settlement contracts.

Contract Specifications

The terms and conditions of a Futures Contract are set out in the rules and regulations of the Exchange on which the contract was made. Futures Exchanges exist in a number of countries and regions as well as Australia.

Futures Contracts are made for periods of up to several years in the future, although the vast majority are for settlement within six months of the agreement being made. Part of the standardisation of contracts is that the time of the delivery or settlement is one of a series of standardised maturity times. For example, in the ASX SPI 200™ Index Future traded on the ASX 24, contracts can be made for settlement at the end of March, July, September or December during a period of 18 months from the time of the trade.

The terms and specifications of Futures Contracts traded on the ASX 24 are accessible at its website: www.asx.com.

Futures Contracts are standardised

Contract standardisation means that price and volume are the only factors that are to be determined in the marketplace. On the Australian exchanges, (i.e., ASX 24 and ASX), and on many international futures exchanges, exchange-traded derivatives are quoted and traded on electronic trading systems which provide a system of continuous price discovery. This means that the price at which trades take place may continually change throughout a trading session. Futures prices represent a consensus of market opinion as to what the price of the commodity should be at the specified future time.



Since all Futures Contracts for a given future month in the same market are exactly alike, obligations under Futures Contracts are easily transferred from one party to another via an Exchange. A Futures Derivative is an OTC contract which cannot be transferred. Instead, a Client who holds a Futures Derivative whose Underlying Reference Instrument is a Futures Contract which is a contract to buy may cancel this obligation by taking a Futures Derivative in respect of a new contract to sell in the same month. This process is known as “offsetting” or “closing out the contract”. In the same way, the holder of a contract to sell can Close Out by taking a new contract to buy. In each case there will be a profit or loss equal to the difference between the buying and selling prices multiplied by the standard contract amount. In practice, the vast majority of contracts are offset in this manner, the remainder being fulfilled by delivery or by mandatory cash settlement in those markets if no provision for delivery exists.

2.7.7 Options

We also offer a range of OTC derivatives, known as Options in this PDS, which are based on the price of exchange-traded options on various products including leading stock indices, futures, equities and foreign exchange contracts. Details of these markets and products are published by the Exchange which trades the options.

The Transaction Fee on our Options covers the underlying Exchange fees (such as the fee charged by ASX Clear for exchange traded options dealt on the ASX). This allows for easier comparison with direct trading since our quote gives the equivalent of a dealing spread (the difference between our ‘buy’ and ‘sell’ quotes) and the Transaction Fee is the equivalent of the exchange fees (if any).

As an example, we offer Options on stock index on two types of traded options: puts and calls. A traded put option equates to the right to “sell a market” (the underlying index) at a fixed level, on or before a particular date. For example, a September 4500 FTSE™ 100 Index put is the right to “sell” the FTSE 100 Index at a level of 4500 on or before a specified date in September. A traded call option is the right to “buy” a particular index at a fixed level on or before a fixed date. For example, a December S&P™ 500 Index 1200 call option is the right to “buy” the December S&P™ 500 Index at 1200 on or before a specified date in December.

With exchange-traded options, the holder (or ‘buyer’) of the put or call has the right but not the obligation to exercise the option – they need only do so if it suits them. The writer (or ‘seller’) of the put or call has the obligation, if the option is exercised,

to buy or to sell (or cash settle) at the specified price (the ‘strike price’).

Profits or losses on Options are made by reference to the movement of an option price. Just a reminder – by trading our Options you are not buying or selling the underlying option itself. The Option is exercised by you at your choice (you do not exercise the underlying option) – the Option cannot be exercised by or against you. Since you are dealing in an OTC derivative, there is no acquisition, disposal or delivery of the underlying security, option, index or its constituents.

Options have a strike price and will expire at the expiry dates, in relation to an Option, the date upon which the Option may be exercised, as specified in the terms of the Option.

All Options traded on Global Trader are European style options which is an Option that can only be exercised on the expiry date.

If the Option is not exercised on its expiry date, the Option lapses because the holder of a European option has the right, but is not obliged, to exercise the option. The holder will usually only exercise the option if the option is “in the money” i.e. it has intrinsic value. Intrinsic value is the difference between the current price and the Exercise Price at any point in time

European Style options which have intrinsic value can still give you a profit by Closing Out (selling) your Option at the current price (as opposed to exercising the Option, which is only possible on the Expiry Date).

Options will not incur any overnight Financing Charge Adjustment. All costs for Options are factored into the pricing.

Your risk in dealing on ‘long’ options positions is limited because the maximum loss you can sustain is the cost of the option premium (the value of your Option can only fall to zero). An option ‘seller’ sells an option believing that the underlying market will not move above or below the relevant strike price. If the investor is right, the option will expire worthless and the investor will have received the premium paid for the option. It is very important to understand that the seller of an option is exposed to an open ended risk, since there is no upper limit on the price or value of an option, and there is no limit to the level at which the ‘seller’ may be obliged to Close Out a losing position.

Since the risks associated with buying and selling options are different from other OTC derivatives we offer, Margin requirements for them are calculated differently. The Margin you will be required to pay



for placing a 'buy' Option on an security option is the price at which you would 'buy' the option multiplied by the deal size. It will be at least the margin required by the Exchange for the underlying security's option if you had traded directly on it for the same option. The Margin (and any Transaction Fee) which you pay Global Prime is the total amount that you can lose on your Option, since it is your choice whether to take the benefit of that payment by later exercising your Option.

The Margin requirement for 'selling' an Option is variable. If the Option has intrinsic value it is said to be 'in the money' and its value moves one-for-one with the underlying market; therefore, at worst, an Option seller can be charged Margin equal to what the Client would have paid as margin had the Client sold the option in the underlying market.

2.7.8 Cryptocurrency Derivatives

We offer the following major Cryptocurrency Derivatives being Bitcoin, Bitcoin Cash, Ethereum, Litecoin and Ripple. Cryptocurrency derivatives gives you indirect exposure to the cryptocurrency markets whose prices are derived from cryptocurrency exchanges or the cryptocurrency Hedge Counterparties that we deal with. The updated list of the Cryptocurrency Derivatives that are available, refer to the Prime MT4 Trader platform.

All Cryptocurrency Derivatives will be cash settled.

A Cryptocurrency Derivatives is opened by either buying or selling by reference to the Cryptocurrency Derivative against USD. For example if you were buying Bitcoin BTCUSD, you would be buying Bitcoin by selling a reference amount of USD, whereas if you were selling Bitcoin, you would be Bitcoin 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 Global Prime Products traded on the various Global Prime Trading Platforms, 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 Bitcoin being equivalent to 1 Bitcoin contract and 1 Lot of Ripple being equivalent to 100 Ripple contracts.

Cryptocurrency Derivatives traded cannot be settled by the physical or deliverable settlement of the cryptocurrency on their Value Date, rather these products can be rolled or swapped indefinitely until you decide to Close Out the Transaction i.e. Cryptocurrency Derivatives 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".

The swap or rollover rate that is applied will be tripled for positions held over the Thursday to Friday rollover period.

Example - Buying BTC/USD

This example assumes that:

- the Trading Account base currency selected is USD;
- no brokerage, commission or Transaction Fee is charged;
- the Leverage Rate for CFD referencing crypto assets is 1:20 i.e Initial Margin is set at 50% of the Contract Value; and
- 1 Lot is equivalent to 1 Cryptocurrency Derivative.

Opening the position

You decide to go long on BitCoin (BTC) against the US Dollar (USD) BTC/USD, and ask for a quote for 5 lots, the equivalent of 5 BitCoins. We quote you USD4,500/4,540 and you buy 5 lots at USD4,540.

Finance Charge Adjustment

Interest costs (imposed by way of the Finance Charge Adjustment) are calculated daily on positions held Overnight by applying the applicable interest rate (Finance Rate) to the Contract Value of the Cryptocurrency Derivative Positions. For example, if the applicable Finance Rate is negative 20% p.a. and the Contract Value of the Cryptocurrency Derivative Positions is USD22,700 being the Closing Price on a particular day for the 5 lots, then the Finance Charge Adjustment for a particular day would be USD12.43. Finance Charge Adjustments are calculated and reflected on your Global Prime Account on a daily basis which is taking into account in your Equity amount.

Initial Margin

The Initial Margin required to open your position is $50\% \times \text{USD}4,540 \times 5 = \text{USD}11,350$

Closing the position

Later, BTC/USD has risen to USD5,000/5,040 and you take your profit by selling 5 lots at USD5,000.

Your gross profit on the trade is calculated as follows:

Closing transaction:	5 Lots x USD5,000
	= USD25,000
Opening transaction:	5 Lots x USD4,540
	= USD22,700



Gross profit on Transaction: USD2,300 equivalent to AUD1,667.50 using an AUD/USD exchange rate of 0.725.

Calculating the overall result

To calculate the overall net profit, you also have to take account of the Finance Charge Adjustment. In this example, you might have held the position for 20 days, charging a total Finance Charge Adjustment debit of USD248.60.

Gross profit on trade USD 2,300.00

Finance Charge Adjustment: (USD 248.60)

Net profit: USD 2,051.14

Example - Selling ETH/USD

This example assumes that:

- the Trading Account base currency selected is USD;
- no brokerage, commission or Transaction Fee is charged;
- the Leverage Rate for CFD referencing crypto assets is 1:20 i.e Initial Margin is set at 50% of the Contract Value; and
- 1 Lot is equivalent to 1 Cryptocurrency Derivative.

Opening the position

You decide to go short on Ethereum (ETH) against the US Dollar (USD) due to the recent instability in the price of cryptocurrencies. You wish to open a position of 5 lots, the equivalent of 5 Ethereum. We quote you USD246.26/250.55 and you sell 5 lots at USD246.26.

Initial Margin

The Initial Margin required to open your position is $50\% \times \text{USD}246.26 \times 5 = \text{USD}615.65$

Finance Charge Adjustment

Interest costs (imposed by way of the Finance Charge Adjustment) are calculated daily on positions held Overnight by applying the applicable interest rate (Finance Rate) to the Contract Value of the Cryptocurrency Derivative Positions. For example, if the applicable Finance Rate is negative 20% p.a. and the Contract Value of the Cryptocurrency Derivative Positions is USD1,231.3 being the Closing Price on a particular day for the 5 lots, then the Finance Charge Adjustment for a particular day would be USD0.67. Finance Charge Adjustments are calculated and reflected on your Global Prime Account on a daily basis which is taking into account in your Equity amount.

Closing the position

Later, ETG/USD has decreased to USD227.25/232.55 and you take your profit by buying 5 lots at USD232.55.

Your gross profit on the trade is calculated as follows:

Closing transaction: 5 Lots x USD232.55
= USD1,162.75

Opening transaction: 5 Lots x USD246.23
= USD1,231.15

Gross profit on Transaction: USD68.4 equivalent to \$94.34 using an AUD/USD exchange rate of 0.725.

Calculating the overall result

To calculate the overall net profit, you also have to take account of the Finance Charge Adjustment. In this example, you might have held the position for 20 days, charging a total Finance Charge Adjustment debit of USD \$13.40.

Gross profit on trade USD68.40

Finance Charge Adjustment: (USD13.40)

Net profit: USD \$55.00

2.8 Benchmark Disclosure

ASIC has 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 Global Prime Products, Global Prime has chosen to apply the benchmarks to all of the Global Prime 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 Global Prime applies them to Global Prime Products, whether Global Prime 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	Global Prime Disclosure
<p>1 Client qualification</p> <p>If an issuer meets this benchmark, the PDS should clearly explain:</p> <ul style="list-style-type: none"> ☐ that trading in Global Prime Products is not suitable for all investors because of the significant risks involved; and ☐ how the issuer’s client qualification policy operates in practice. 	<p>Global Prime believes that it meets this benchmark. Please see Section 2 under “Your Suitability”.</p>
<p>2. Opening collateral</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 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.</p>	<p>Global Prime does not meet this benchmark because it accepts as collateral for opening the account payments by credit card for more than \$1,000 for Global Prime Products traded on the Prime MT Trader Platform.</p> <p>The additional risks of paying by credit card are described in Section 6 under “Applications”.</p> <p>Global Prime otherwise meets this benchmark and only accepts cash or cash equivalents as opening collateral. No other opening collateral (such as securities) are accepted.</p>
<p>3. Counterparty risk - Hedging</p> <p>If an issuer meets this benchmark, the PDS should provide the following explanations:</p> <ul style="list-style-type: none"> ☐ a broad overview of the nature of hedging activity the issuer 	<p>Global Prime believes it meets this benchmark.</p> <p>Global Prime discloses in its PDS that it fully hedges all trades.</p> <p>This PDS complies with the requirements to include information</p>

ASIC RG 227 Benchmark	Global Prime Disclosure
<p>undertakes to mitigate its market risk, and the factors the issuer takes into account when selecting hedging counterparties; and</p> <ul style="list-style-type: none"> ☐ 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. <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 OTC Global Prime 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>about the significant risks associated with the Global Prime Products (see Section 4) and also provides an explanation of the counterparty risk associated with OTC Global Prime Products (see Section 3 under “Your Counterparty Risk on Global Prime”).</p> <p>This PDS explains that, if Global Prime defaults on its obligations, investors may become unsecured creditors in an administration or liquidation.</p>
<p>4 Counterparty risk— Financial resources</p> <p>If an issuer meets this benchmark, the PDS should explain how the issuer’s policy operates in practice.</p>	<p>Global Prime believes it meets this benchmark.</p> <p>Global Prime makes available copies of its latest audited annual financial statement</p>



ASIC RG 227 Benchmark	Global Prime Disclosure
An issuer should also make available to prospective investors a copy of its latest audited annual financial statement, either online or upon request.	free of charge upon request. This PDS includes information about Global Prime’s policy on maintaining adequate financial resources see Section 3 under “Your Counterparty Risk on Global Prime”.
5 Client money If an issuer meets this benchmark, the PDS should clearly: ☐ describe the issuer’s client money policy, including how the issuer deals with client money and when, and on what basis, it makes withdrawals from client money; and ☐ explain the counterparty risk associated with the use of client money for derivatives.	Global Prime believes it meets this benchmark in all respects. 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 see Sections 3 and 4.
6 Suspended or halted underlying assets If an issuer meets the benchmark, the PDS should explain the issuer’s approach to trading when underlying assets are suspended or halted.	Global Prime believes it meets this benchmark in all respects. Global Prime’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. Global Prime’s discretions and how it manages its positions are described in Section 6 under “Discretions”.

ASIC RG 227 Benchmark	Global Prime Disclosure
7 Margin calls If an issuer meets this benchmark, the PDS should explain the issuer’s policy and margin call practices. 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. To provide full and accurate information about this aspect of trading in Global Prime Products, the PDS should clearly state that trading in Global Prime Products involves risk of 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).	Global Prime does not meet this benchmark in certain respects. Global Prime describes its margin policy at Section 3 under “Payments and Client Moneys” subheading “margin Policy” and the risks associated at Section 4. Global Prime does not commit to taking any reasonable steps to notify investors before making a Margin call because that is contrary to the Financial Product Service 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. Global Prime might attempt to contact Clients, but the Financial Product Service Terms clearly require the Client (i) to maintain the required minimum Margin Cover as well as (ii) to meet any Margin call. A Client must meet the Margin Cover requirements whether or not the Client is aware of the current Margin Cover. A Client must meet a Margin call even if



ASIC RG 227 Benchmark	Global Prime Disclosure
	they have not actually received the Margin call made to the address they gave Global Prime.



Section 3 – How to Trade

3.1 Your Account

You need to establish your Account by completing Global Prime's Account application form, which will be made available for you by contacting Global Prime directly or online via the website www.globalprime.com.au.

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 Financial Product Service Terms. Your Financial Product Service Terms set out the legal terms governing your Account and your dealing in Global Prime Products.

3.2 Opening Global Prime Products

The particular terms of each Global Prime Product are agreed between you and Global Prime before entering into the Transaction.

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

All of the payments which you make to Global Prime 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 Global Prime Products with Global Prime are set out in Section 5 of this PDS.

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

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

3.3 Closing Out Global Prime Products

Global Prime Products, except Commodity Derivatives, Futures Derivatives and Options that have a set maturity date, 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 Global Prime.

Global Prime 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 Global Prime 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 Global Prime Product position (or part of it) at the Transaction Price quoted.

If, instead, you trade an equal and opposite Global Prime Product to the open Global Prime 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 Global Prime Product will be based on the difference between the amount paid for the Global Prime Product when it is issued (including fees and charges) and the amount credited to your Trading Account when the Global Prime 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 or Account Value in the Account Currency selected - refer to Section 6 under "Account Currency".

At the time that the Global Prime Product is Closed Out, Global Prime will calculate the remaining payment rights and obligations. Since you are required to enter into Global Prime Products to Close Out the existing OTC Product, there may be a Transaction Fee on the Global Prime 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 Global Prime Products to you in an efficient and low-cost manner, Global Prime has discretion in determining closing Transaction Prices.

In general, without limiting Global Prime’s discretion, it should be expected that Global Prime 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 Global Prime to hedge its Global Prime Product issued to you, the closing price of the Global Prime Product and any foreign currency exchange rates which are relevant due to the denomination of your Global Prime Products or Trading Accounts. Global Prime also has the right to decide to make an adjustment in any circumstance if Global Prime considers an adjustment is appropriate. Global Prime 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.

Global Prime 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 Global Prime’s discretions, Global Prime 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 Global Prime 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 Global Prime 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 Global Prime 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 Global Prime Product relating to the type of Global Prime Trading Account are available on the Global Prime website by selecting the relevant Global Prime Trading Account

and Global Prime Product or by contacting Global Prime.

Occasionally, Global Prime may, within its discretion, impose limited trading hours.

Global Prime may at any time in its discretion without prior notice impose limits on Global Prime Products in respect of particular Underlying Reference Instruments. Ordinarily Global Prime 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 Global Prime’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 Global Prime Products quoted or dealt by Global Prime.

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 Global Prime Product traded on the Global Prime Trading Platforms is displayed when the Order is placed for the Global Prime Product selected on the order ticket on the Global Prime Trading Platforms or the information is available on the Global Prime website.

3.5 Spread

When requesting a price quote for Global Prime 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 Global Prime Products at, being the higher price, and where you can “sell” Global Prime Products at, being the lower price (see comment above, in Section 3 under “Opening Global Prime Products”, on what is meant by “selling”).

Global Prime makes hedge contracts at or around the same time as it issues the Global Prime Product to you by placing a corresponding hedge contract with its Hedge Counterparty, being Gleneagle Securities. The Hedge Counterparty may hedge



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

At any time, this Bid Price (sell price) represents the best current price at which you can sell Global Prime Products and the “offer” or Ask Price (buy price) represents the best current price at which you can buy Global Prime Products at that time in a Transaction with Global Prime, 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 Global Prime Trading Platforms. Generally the spread quoted for the Global Prime Products on your Global Prime Trading Platforms are competitive, but you should be aware that Global Prime is responsible for setting the spread quoted for opening and closing Global Prime Products and **Global Prime 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 Global Prime Products, Global Prime will determine the value of your Trading Account(s), based on the current value of the Global Prime Products in your Trading Account(s) defined as your Equity or Account Value (see the Glossary in Section 7). The current value of your Global Prime Product positions are ordinarily marked to market on a continuous basis, using the Current Market Price being the price available to Global Prime from Gleneagle Securities being its only Hedge Counterparty (but remember that some Global Prime Products are not tradable during closed hours of the relevant underlying market’s Exchange, so the value of them ordinarily will not be updated until the Exchange re-opens).

Your Equity or Account Value is used to assess your Free Margin or Margin Cover 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 or Margin Cover calculated?”.)

3.7 On-line trading platforms

Your Trading Account may be accessible either via the Global Prime Trading Platforms, or by contacting Global Prime dealing desk. All Global Prime Products are hedged with Gleneagle Securities being the only Hedge Counterparty (described in this Section 3 under “Your Counterparty Risk on Global Prime” subheading “Hedge Counterparty risk”).

All of your Global Prime Products will use Global Prime Trading Platforms.

You must carefully read and follow the operational rules for the Global Prime Trading Platforms. The Global Prime Trading Platforms 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 Global Prime Trading Platforms which has a wealth of information relating to the operation of Global Prime Trading Platforms or you can contact Global Prime on 8277-6600.

3.8 Pricing Model

Trading on IRESS Trader and Prime MT Trader:

You may only trade in and out of Global Prime Products by using Global Primes prices. Global Prime offers prices based on a modified market making pricing model where the price available to Global Prime is derived from Gleneagle Securities being its only Hedge Counterparty.

Global Prime makes hedge contracts at or around the same time as it issues the Global Prime Products to you by making a corresponding hedge contract with its Hedge Counterparty (not by placing orders directly into the market). Global Prime does not itself seek to make a market or speculate. Global Prime’s Hedge Counterparty, Gleneagle securities, being a related entity of Global Prime, usually takes the other side of the transaction and it may choose not to place its hedge contacts directly in the market or it might hedge directly into the market.

Global Prime’s Bid and Ask prices to you are based on the corresponding prices offered by the Hedge Counterparty to Global Prime, which generally (but is not limited to) is derived from the underlying markets. Generally the prices of Global Prime Products are set on the trading platform to give competitive pricing but you should be aware that Global Prime is responsible for setting the prices of opening and closing Global Prime Products and Global Prime does not act as your agent to find you the best prices.



Trading on Global Trader:

There are two models or ways of trading on Global Trader with Global Prime. The first is what is commonly known as, or commonly referred to as, the Direct Market Access (“DMA”) model. The second is the Non Direct Market Access (“Non DMA”).

New Clients of Global Prime that do not have a preference for their Trading Account will be provided with access to the Non DMA model. If you want to have DMA access an additional Trading Account will need to be established for the DMA trading which should usually be done when you set up your Account by contacting your advisor or Global Prime. You can also confirm on your Global Trader, through the Trading Conditions relating to each Trading Account, whether a DMA Trading Account has been established, by having the option of selecting the Trading Conditions relating to DMA (otherwise this would not be available).

The DMA model

If a Client adopts the DMA model it means that all Global Prime Product quotes made by Global Prime are the same as the price or value of the Underlying Reference Instrument on the relevant Exchange subject to Global Prime’s reliance on the Hedge Counterparty providing the same pricing service as the price or value of the Underlying Reference Instrument on the relevant Exchange i.e., ordinarily no additional spread is applied by the Hedge Counterparty so Global Prime gives virtually the same pricing outcome for you as though Global Prime made the direct hedge itself.

Please refer to our website, the Trading Conditions or contact us for further information about the features of the DMA model.

This is subject to the Client requesting live pricing which can be done via the Global Trader and will be subject to additional fees, which the Client agrees to on accepting the subscription agreement for the live pricing service, otherwise there will be delayed pricing.

For example, if BHP is quoted on the ASX as 24.20/24.22, then the price which Global Prime will quote for Global Prime Products using the DMA model will be the same i.e., 24.20/24.22.

The Non DMA model

If a Client adopts the Non DMA model it means that all Global Prime Product quotes made by Global Prime are with direct reference to the price or value of the Underlying Reference Instrument on the relevant Exchange but this pricing or the value may differ from the price or value of the Underlying

Reference Instrument since one of the reasons is that the Transaction Fee may be included in the quote for the pricing i.e., an additional spread is applied to the pricing or value to reflect the Transaction Fee, rather than quote the price or value without that but applying it separately.

For example, if BHP is quoted on the ASX as 24.20/24.22, then the price which Global Prime will quote for Global Prime Products using the Non DMA model could be as wide as 24.19/24.23.

Using the Non DMA model may also mean the Client does not participate in the features of the DMA model, such as having Orders work during the opening and closing phases of Exchange trading in the Underlying Reference Instrument or participate in Orders queuing.

3.9 Confirmations of Transactions

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

Once you have entered an Order, the Global Prime Trading Platforms 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 Global Prime 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 Global Prime Trading Platforms. It is your obligation to review the confirmation immediately to ensure its accuracy and to report any discrepancies within 24 hours.

3.10 Equity Derivatives - Dividends

If you hold a long Equity Derivative, you will be credited with an amount equal to the gross unfranked dividend on the relevant number of the Equity Derivative’s Underlying Reference Instruments on the Pay Date (Equity Derivatives do not confer rights to any dividend imputation credits).

Conversely, if you hold a short Equity Derivative, your Trading Account will be debited an amount equal to the gross unfranked dividend on the Underlying Reference Instruments on the Pay Date.

3.11 Equity Derivatives - Corporate Actions

If there is a corporate action by the company which issues the Equity Derivative’s Underlying Reference Instrument to which the Equity Derivative relates, Global Prime may in its discretion make an



adjustment to the terms of the Equity Derivative in accordance with the terms of the Trading Account. For example, an adjustment will ordinarily be made for: subdivisions; consolidations; reclassifications of shares; bonus issues; other issues of shares for no consideration; rights issues; buy backs; *in specie* distributions; takeovers, schemes of arrangement or similar corporate actions; a corporate action event that has a dilutive or concentrative effect on the market value of the shares. You may not direct Global Prime how to act on a corporate action or other shareholder benefit.

Global Prime has a discretion to determine the extent of the adjustment and aims to place the parties substantially in the same economic position they would have been in had the adjustment event not occurred.

Global Prime may elect to close 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. Global Prime may also elect to close an Equity Derivative if the Equity Derivative's Underlying Reference Instruments are the subject of a take-over offer, scheme of arrangement or other mechanism for change in control, prior to the closing date of the offer.

Equity Derivatives do not entitle you to direct Global Prime on how to exercise any voting rights in connection with the Equity Derivative's Underlying Reference Instrument such as shares.

Clients should be aware that some Exchanges purge orders in securities that undergo corporate actions.

3.12 Equity Derivatives - No shareholder benefits

As a holder of an Equity Derivative, if the Equity Derivative relates to a security over listed equities, you do not have rights to vote, receive franking credits, attend meetings or receive the issuer's reports, nor can you direct Global Prime to act on those rights. Other benefits such as participation in shareholder purchase plans or discounts are unavailable.

3.13 Payments and Client Moneys

Here is a simplified diagram and summary of payments when you invest in Global Prime 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 Global Prime Products Position

(i) Payment of your moneys into the Global Prime Trust Account

Moneys paid by you to Global Prime for Global Prime Products are initially deposited into a trust account maintained by Global Prime in accordance with the Corporations Act, which is referred to in this PDS as the "Global Prime Trust Account".

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

For so long as your moneys remain in the Global Prime Trust Account, they are held in trust for you and, pursuant to the Financial Product Service Terms, cannot be counted as payment for or credit for your Account (unless Global Prime chooses to waive this) prior to withdrawing the funds (when permitted) from the Global Prime Trust Account.

Global Prime may choose to credit your Trading Account with payment to Global Prime. This may be done as an advantage to Clients to facilitate dealing in Global Prime Products having regard to available banking payment procedures, but if that is done by Global Prime it should not be expected or be relied upon as always going to be done by Global Prime.

(ii) Global Prime Trust Account

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

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

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

- Individual Clients do not have separate or segregated accounts.
- All Clients' moneys are combined into one account.

(iii) Withdrawal from Global Prime Trust Account

Moneys are withdrawn from the Global Prime Trust Account either to pay Global Prime (when permitted) or to pay you.

Retail client moneys held in the Global Prime Trust Account may only be withdrawn to pay Global Prime



Trust Account and be used in limited circumstances (but not to pay for Global Prime's hedging of its contracts with retail clients).

You make your deposit by using the unique client reference number we give to you for your Trading Account.

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

You are free to decide that it is more prudent for you to pay more than the required minimum Margin in respect of Global Prime 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 Global Prime before you trade (holding moneys in Global Prime Trust Account is not payment to Global Prime).

B. Margin Call payments

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

- If some of the value of your Non-margin Product is used as Margin towards the Margin requirements of your Global Prime Products, then the value of your Non-margin Product can impact on the margining of your Account and all of your Global Prime Products are exposed to being Closed Out if you do not meet the Margin requirements that apply to your Account. Therefore it is important to understand Margin obligations as it applies to your entire Account, even though you initially fully pay for your Non-margin Product.
- Margin is your payment to Global Prime for the Global Prime Product to be issued to you. The amount of Margin you pay (after it is withdrawn from the Global Prime Trust Account, when permitted) 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. (Remember, your Non-margin Product which has a 100% Margin requirement will not generate its own later Margin call but if your Non-margin Product is being used as Margin then they could be exposed to being Closed Out if you do not meet Margin calls).
- 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, the movements in the market price of the Non-margin Product if used as Margin and the changes to the Equity or Account Value.
- You have an obligation to meet the Margin call **even if Global Prime cannot successfully contact you**.
- You have a risk of all of your **Global Prime Products (including Global Prime 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 or Margin Cover** 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 an Global Prime Margin Product, which means you must ensure that the Free Margin or Margin Cover amount is positive at all times.
- **Global Prime is not obliged to notify** (outside of Global Prime Trading Platforms) you about the amount of your Free Margin or Margin Cover, though we may do so by email, telephone call or otherwise, as a courtesy.
- You have a risk of your **Global Prime Products (including Global Prime 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

Global Prime applies the following main Margin principles:

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

The minimum amount is determined by Global Prime 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 Global Prime is required to pay its Hedge Counterparty and



Global Prime'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 Global Prime Products in order to minimise credit risk to Global Prime and that therefore benefits all Clients.
- Each Client's Account is promptly adjusted for Margin requirements according to market movement so that no Client is intentionally benefited from other Global Prime Product Clients' Margin Product 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 substantial benefit or waiver which imprudently jeopardises Global Prime and therefore increases the risks of other Clients to Global Prime.

Paying Margin

As explained earlier in this PDS, you must pay the Initial Margin before the Global Prime 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 Global Prime Trust Account.

Leverage Rates

The Leverage Rates are restricted to a maximum ratio depending on the Global Prime Products offered consistent with ASIC Product Intervention Order – Contracts For Difference. From 29 March 2021, ASIC's product intervention order will restrict CFD leverage offered to retail clients to a maximum ratio of:

- 30:1 for CFDs referencing an exchange rate for a Major Spot foreign exchange currency pair
- 20:1 for CFDs referencing an exchange rate for a Minor Spot foreign exchange currency pair, gold or a Major Indices
- 10:1 for CFDs referencing a commodity (other than gold) or a Minor Indices
- 2:1 for CFDs referencing Cryptocurrency Derivatives
- 5:1 for CFDs referencing Equity Derivatives or other assets

The full list of Leverage Rates for the various Global Prime Trading Platforms applicable to the Global

Prime Product is available on the Global Prime Website, Platforms or by contacting Global Prime.

Trading on Prime MT Trader:

The Leverage Rates are restricted to a maximum ratio depending on the Global Prime Products offered consistent with ASIC Product Intervention Order – Contracts For Difference.

Trading on IRESS Trader

The Leverage Rates for the Global Prime Products traded on IRESS Trader varies and is disclosed on your IRESS Trader under the margin table. The Leverage Rates are restricted to a maximum ratio depending on the Global Prime Products offered consistent with ASIC Product Intervention Order – Contracts For Difference.

Trading on Global Trader:

The Leverage Rates for the Global Prime Products traded on Global Trader varies and are disclosed on your Global Trader under the Trading Conditions. The Leverage Rates are restricted to a maximum ratio depending on the Global Prime Products offered consistent with ASIC Product Intervention Order – Contracts For Difference.

How are Margin requirements, Free Margin and Margin Cover calculated?

Global Prime 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 or Margin Cover.

The Initial Margin requirements will be set by Global Prime and calculated by applying the Leverage Rates expressed as a percentage of the Contract Value of the relevant Global Prime Product at the time the Global Prime 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 Global Prime 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 or Margin Cover required to maintain your Open Positions may change after a position has been opened. You need to ensure the Free Margin or Margin Cover is positive at all times.



Therefore you should be aware that you can reach the stage of not having enough Equity or Account Value (because the Global Prime Products including the Global Prime Products being marked to market) to the extent that your Account's Free Margin or Margin Cover 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 Global Prime Products by marking to market is automatic so your Free Margin or Margin Cover can become negative quickly, reflecting the rapid changes in the market values.

In order to return your Free Margin or Margin Cover 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 or Margin Cover to positive then you risk all or some of your positions being automatically Closed Out.

Under the Financial Product Service Terms, your obligation to pay Margin arises from the time you have an Open Position. If the market moves so the Free Margin or Margin Cover is negative, or Global Prime 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 or Margin Cover 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 Global Prime Product positions is ordinarily marked to market on a continuous basis, which automatically leads to corresponding changes in Free Margin or Margin Cover 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 or Margin Cover: You deposit \$8,000 and you pay Global Prime in order for your Trading Account to be credited with \$8,000. You enter into Global Prime Products and Global Prime 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 or Margin Cover is negative \$1,000. In this case, you will need to make a Margin payment to Global Prime for \$1,000.

Negative Account Balance Policy

Where you or Global Prime have closed out a position(s) and the net balance of your Accounts with Global Prime has fallen below zero, you will have a Negative Balance. Global Prime will relieve you of your obligations by returning your Negative Balance back to 0.

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 Global Prime 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 Global Prime 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. Global Prime 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, cheque, B-Pay and credit/debit card for Global Prime Products traded on the Prime MT Trader Platform.

C. Free Margin or Margin Cover

If you (as our Client) have excess Margin, i.e., the Free Margin or Margin Cover amount is positive, then you may request payment of an amount not exceeding the Balance or Cash Balance on your Trading Account.

3.14 Global Prime Product Order Types

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

Important notice about this Section

When you submit a request to place one of the types of Orders described in this Section, Global Prime 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 Global Prime Trading Platforms 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 Global Prime Product is displayed on the Global Prime 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 Global Prime 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

Global Prime may, in its discretion, accept an Order from you to enter or exit Global Prime Products if the price moves to or beyond a level specified by you. This is known as a “stop-loss Order”. The Global Prime Trading Platforms 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 Global Prime 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 Global Prime 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 Global Prime from Gleneagle Securities 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 Global Prime) as long as it is made in accordance with the Financial Product Service Terms.

3.15 Risk Limits

Global Prime seeks to have the discretion and automatically closing positions at the current market value being the value available to Global Prime from Gleneagle securities being its only Hedge Counterparty, this is also sometimes referred to as the stop out level and the stop out level depends on the Global Prime 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.

Global Prime 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 Global Prime.

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

Trading on Prime MT Trader

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

Trading on Global Trader

The automatic closing of positions will occur if the Margin Utilisation exceeds 150%.

3.16 Market Conduct

All market participants (including Global Prime) have a legal obligation to ensure that the financial markets they participate in are fair, orderly and transparent. Global Prime 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 Global Prime for costs to Global Prime arising out of those trading practices of the Client which lead to the Client, Global Prime or any other person suffering loss or penalty.

Additionally, Clients should be aware that Global Prime is entitled to refuse to accept an Order if Global Prime 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).

3.17 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 Global Prime 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).

Trading on Global Trader:

Open FX Products and Metal Products held at the end of a trading day at 17:00 New York local time will be rolled over to a new Value Date on a Spot basis being TOM/NEXT rollover basis (i.e. rolled from tomorrow to the next day) immediately after the change of the trading day.

As you are speculating on FX and Spot metal Transactions and not actually taking delivery (settlement), then positions are never allowed to reach their Value Date but instead are 'rolled over' to a new Value Date. So if the position we opened on Monday is still open on Tuesday, it will be closed then reopened again immediately with the new Value Date of Thursday.

This will ensure that if a Close Out FX Product or Spot Metal Product is entered into, the Value Date of the Close Out Product or Spot Metal Product Spot Metal Product has the same Value Date as the rolled FX Product so the position can be matched and Closed Out on the Value Date.

The rollover (or swap) Points are reflected in the price at which the Open Position is rolled forward i.e. it is added to or deducted from the original traded rate and debited or credited to your Trading Account balance on Value Date (and so is not an additional fee or charge).

When a position is rolled over to a new Value Date any unrealised profit or loss on the position being rolled is also subject to a finance credit or finance charge on the profit or loss. This finance charge or finance credit is included in the rollover/swap Points.

Details of the rollover (or swap) pricing are included in your rollover history statement. This is an online report that you can access and print upon demand and can be accessed via your Global Trader.

Trading on Prime MT Trader:

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

3.18 Your Counterparty Risk on Global Prime

When you deal in Global Prime Products, you have a counterparty risk on Global Prime. An element of counterparty risk is "credit risk" and this in turn is impacted by the "limited recourse" feature of Global Prime Products, so you should consider your credit



risk on Global Prime having the financial resources at the time to pay you the amounts it owes you. The risk on Global Prime is mitigated by Global Prime hedging its Global Prime Products.

Your credit risk on Global Prime

You have credit risk on Global Prime when your Equity or Account Value (see the glossary in Section 7) has a net credit balance. Your credit risk on Global Prime:

- depends on the **overall solvency of Global Prime**, which is affected by Global Primes' risk management; and
- is affected by your **limited recourse** against Global Prime

The amounts you pay

Once an Order for Global Prime Products are accepted, Global Prime will, at or about the same time, make a similar transaction (in its own name, on its own account) with the Hedge Counterparty to hedge the Global Prime Product entered into with you, so that Global Prime has little or no direct market exposure to later changes in the value of the position.

Risks from Global Prime's Hedge Counterparty

It is possible that Global Prime'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 Global Prime under the hedge contracts.

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

Limited Recourse

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

It is therefore possible that Global Prime might not fully recover from the Hedge Counterparty (a

related party of Global Prime) due to reasons not arising from your own Global Prime Products, or it may incur costs in seeking the recovery or choose to terminate recovery efforts early, thereby reducing the proceeds available to Global Prime to allocate in its discretion to your Global Prime Product.

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

Broadly this is economically comparable to 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 Global Prime Products, you get the benefit of Global Prime's obligation to you as issuer of the Global Prime Products and the benefit of Global Prime dealing with a market participant who might not ordinarily deal with you directly.

Solvency of Global Prime

The risks you have by dealing with Global Prime (due to Global Prime being paid all of your moneys deposited into the Global Prime Trust Account and Global Prime using Client payments from those moneys to make a corresponding hedge transaction with counterparties for those Clients) cannot be simplistically assessed by reference to historical financial information about Global Prime or its Hedge Counterparty or general statements of principle.

The credit risk you have on Global Prime 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 Global Prime Products), its risk management systems and actual implementation of that risk management and the limited recourse you have.

Your credit risk on Global Prime will fluctuate throughout the day and from day to day, including due to its risk on the Hedge Counterparty, whose credit risk to Global Prime (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 Global Prime.

The latest Global Prime annual directors’ report and an audited annual financial report are available free on request by contacting Global Prime.

Hedge Counterparty risk

The following information is applicable with respect to Global Prime’s Hedge Counterparty as at the date of this PDS:

Global Prime’s Hedge Counterparty:	Gleneagle Securities (Aust) Pty Ltd (Gleneagle Securities)
Website of Hedge Counterparty:	www.gleneaglesecurities.com.au
Further information:	Gleneagle Securities is regulated by the Australian Securities and Investments Commission, AFSL 337 985.

You should note that:

- Gleneagle Securities has not been involved in the preparation of this PDS nor authorised any statement made in this PDS relating to it.
- Gleneagle Securities has no contractual or other legal relationship with you as holder of the Global Prime Products. Gleneagle Securities is not liable to you and you have no legal recourse against Gleneagle Securities (because Global Prime acts as principal to you and not as agent) nor can you require Global Prime to take action against Gleneagle Securities.
- Global Prime gives no assurance as to the solvency or performance of any Hedge Counterparty. Global Prime does not make any express or implied statement about the solvency or credit rating of any Hedge Counterparty.

- The regulation of a 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 the Hedge Counterparty. For example, although a Hedge Counterparty may be regulated by Estonian and European financial law, that gives no assurance that the Hedge Counterparty has good credit quality or it will perform its obligations to Global Prime.
- The credit quality of the Hedge Counterparty can change quickly. Global Prime 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 Global Prime becomes aware that material information about the Hedge Counterparty changes or a significant matter later changes, Global Prime will issue a supplementary product disclosure statement, or a new product disclosure statement. If the new information is not materially adverse to you, Global Prime will provide the updated information on its website.

Global Prime is not authorised to set out in this PDS any further information published by the Hedge Counterparty and Global Prime 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 Global Prime before deciding whether to invest in Global Prime Products, please first contact the Hedge Counterparty. Global Prime will also reasonably assist you to locate such other information as is publicly available to Global Prime.

Section 4 – Significant Risks

Using Global Prime Products involves a number of significant risks. You should seek independent advice and consider carefully whether Global Prime 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 Global Prime Products:

KEY RISKS	IMPORTANT ISSUES
Loss from Leverage:	<ul style="list-style-type: none"> Global Prime Products have leverage which can lead to large losses as well as large gains. The degree of leverage in Global Prime Products can work against you as well as for you. The leveraging in Global Prime Product gives a moderate to high risk of a loss larger than the amounts you pay Global Prime as Margin. It can also cause volatile fluctuations in the Margin requirements.
Global Prime Products may result in losses:	<ul style="list-style-type: none"> You can minimise the risk of losses by monitoring your Open Positions and Closing Out the positions before losses arise.
Client moneys in limited circumstances may be applied to pay for your obligations:	<ul style="list-style-type: none"> The money which you pay into the Global Prime Trust Account may be withdrawn in limited circumstances (but not to pay for Global Prime’s hedging of its contracts with retail clients). Moneys withdrawn from the Global Prime Trust Account are either to pay Global Prime (when

KEY RISKS	IMPORTANT ISSUES
	<p>permitted) or to pay you. Moneys withdrawn to pay Global Prime (when permitted) are Global Prime’s moneys (and are not held for you).</p> <p>Once your moneys are withdrawn from the Global Prime Trust Account to pay Global Prime (when permitted) you become an unsecured creditor of Global Prime to the extent of any credit balance you have with Global Prime and you lose all of the protections you had when your client moneys are in the Global Prime Trust Account.</p>
Margin risk:	<ul style="list-style-type: none"> You must be able to pay to Global Prime the amount of required Margin as and when required, otherwise all of your Transactions (including Global Prime 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. 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



KEY RISKS	IMPORTANT ISSUES
	<p>positions (including Global Prime Products) can be automatically Closed Out.</p> <ul style="list-style-type: none"> Although your Non-margin Product will not generate additional Margin risk after they are paid in full, if your Non-margin Product is used as Margin towards the Margin requirements of your Global Prime Products, then the value of your Non-margin Product can impact on the margining of your Account and they will be liable to being Closed Out if you do not meet your Margin requirements on all of your Account. You can minimise your risk of losing your positions (including Global Prime Products) after failing to meet Margin requirements by carefully selecting the type and amount of Global Prime 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 Global Prime.
Foreign exchange risk:	<ul style="list-style-type: none"> Foreign currency conversions required for your Account (see Section 6 under "Account Currency" for a further description) 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. This exposes you to adverse

KEY RISKS	IMPORTANT ISSUES
	<p>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 Global Prime Products positions.</p> <ul style="list-style-type: none"> You can minimise this risk by selecting Global Prime Products with foreign exchange exposure that you are prepared to incur and to monitor.
Counterparty risk on Global Prime:	<ul style="list-style-type: none"> You have the risk that Global Prime will not meet its obligations to you under the Global Prime Products. Global Prime Products are not exchange-traded so you need to consider the credit and related risks you have on Global Prime. Global Prime believes that your counterparty risk on Global Prime is relatively low, especially due to its Margin policy and its risk management; 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. You can minimise your counterparty risk on Global Prime by limiting the amount you pay Global Prime, 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



KEY RISKS	IMPORTANT ISSUES
	all of your positions to be Closed Out. Please see Section 3 under “Your Counterparty Risk on Global Prime”.
Limited Recourse:	<ul style="list-style-type: none"> Global Prime limits its liability to you under the terms of the Global Prime Products by the extent to which Global Prime actually recovers against its only Hedge Counterparty and allocates that to your Global Prime Products. This key risk is linked to “counterparty risk”. Both limited recourse and counterparty risks are further explained in Section 3.18 under “Your Counterparty Risk on Global Prime”.

4.2 Other Significant Risks

You should consider these significant risks involved in Global Prime Products:

SIGNIFICANT RISKS	IMPORTANT ISSUES
Market risk:	<p>OTC trading is highly speculative and volatile. There is a high risk that market prices will move such that the value of your Global Prime 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 Global Prime Products, monitoring your Global Prime Products positions carefully and closing your Open</p>

SIGNIFICANT RISKS	IMPORTANT ISSUES
	Positions before unacceptable losses arise.
Not a regulated market:	<p>The Global Prime Products offered by Global Prime 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 Global Prime Products, by their nature do not have an established liquid market with numerous participants. If you want to exit your Global Prime Products, you rely on Global Prime’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 Financial Product Service Terms and taking independent advice on the legal and financial aspects relevant to you.</p>
Market disruptions:	A market disruption may mean that you may be unable to deal in Global Prime Products when desired, and you may suffer a loss as a result of that.
Orders and gapping:	<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 Global Prime Products value over a short period. There is a moderate to high risk of this occurring as a result of market volatility.</p> <p>Global Prime’s ability to Close Out Global Prime 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</p>



SIGNIFICANT RISKS	IMPORTANT ISSUES
	<p>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 “Global Prime Product Order Types” subheading “Stop-loss Orders”.</p>

SIGNIFICANT RISKS	IMPORTANT ISSUES
<p>Online trading platform:</p>	<p>You are responsible for the means by which you access the online trading platform or your other contact with Global Prime. If you are unable to access the online trading platform, it may mean that you are unable to trade in Global Prime 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>Global Prime 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, Global Prime has discretion in determining when to do this. If the online trading platform is suspended, you may have difficulty contacting Global Prime, you may not be able to contact Global Prime 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 Global Prime 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 Global Prime 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>
<p>Conflicts:</p>	<p>Trading with Global Prime for its Global Prime Products carries an automatic risk of actual conflicts of interests because Global Prime is acting as</p>

SIGNIFICANT RISKS	IMPORTANT ISSUES
	<p>principal in its Global Prime Products with you and Global Prime sets the price of the Global Prime Products. Also, Global Prime’s only Hedge Counterparty is its related party, Gleneagle Securities.</p> <p>The policy used by Global Prime is that as principal it issues the Global Prime Products to you based on the price it gives you, not by acting as broker to you. Global Prime obtains its price by dealing with its Hedge Counterparty. While Global Prime does not seek to make a market, its only Hedge Counterparty may do so.</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 Global Prime’s pricing compared with other similar OTC contracts which have comparable terms.</p>
Valuations:	<p>The Global Prime Products are valued by Global Prime.</p> <p>While there are no specific limits on Global Prime’s discretions, Global Prime 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 Global Prime in the circumstances permitted by the Financial Product Service Terms.</p>
Operational risk:	<p>There is always operational risk in Global Prime 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>

SIGNIFICANT RISKS	IMPORTANT ISSUES
	<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

Global Prime 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 Global Prime Trading Platforms or emailed or mailed to you that you can access and print upon demand.

Global Prime accepts credit/debit card payments, for Global Prime Products traded on the Prime MT Trader Platform, made by Visa and MasterCard 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 Global Prime Product Transaction Fees

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

There are different types of Transaction Fee charging models that can be applied depending on the individual Global Prime Product.



1. Percentage per trade

The greater of:

- the amount that is calculated by multiplying the Transaction Fee rate by the Contract Value of the Global Prime Product; and
- a minimum Transaction Fee or a minimum ticket Transaction Fee depending on the ticket size.

2. Fee per contract

The greater of:

- the amount that is calculated by multiplying the amount of Global Prime 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 Global Prime 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 Global Prime Product to Close Out the existing Global Prime Product Open Position there may be a Transaction Fee on the Global Prime Product used to close the position.

5.3 Margin

The Margin amount that you would be required to pay is determined by Global Prime 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 Global Prime Trading Platforms or you can contact Global Prime for an indication of the Margin that will be charged for the particular Global Prime 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 Global Prime Trading Platforms.

5.4 Finance Charge Adjustment /Finance Credit Adjustment

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

Global Prime 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 Global Prime 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 / Finance Credit Adjustment on long/ short Equity Derivatives, Indices and Cryptocurrency Derivatives

If you hold a long position Overnight you will pay a Finance Charge Adjustment or if you hold a short position Overnight you will receive a Finance Credit Adjustment on the Equity Derivative, Indices and Cryptocurrency Derivatives Open Positions held overnight. The calculation for an overnight Finance Charge Adjustment / Finance Credit Adjustment for each day that a long or short Equity Derivative, Indices and Cryptocurrency Derivatives is held overnight is as follows:

$$F = CV \times (FR/100) / 360$$

Where:

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

CV is Contract Value of the Equity Derivative, Indices and Cryptocurrency Derivatives Open Positions, at the Closing Price.

FR is the Finance Rate as defined in the Global Trader, IRESS Trader, Prime MT Trader Glossary in Section 7.



A Finance Credit Adjustment will be credited for the short Equity Derivative, Indices and Cryptocurrency Derivatives position held overnight to your Account when the Finance Rate is positive. A Finance Charge will be debited for the long Equity Derivative, Indices and Cryptocurrency Derivatives position held overnight to your Account when the Finance Rate is negative.

By way of example, using the calculation for a long Equity Derivative held overnight for a USD share whose Finance Rate is -5.61%. $F = \$10,000 \times (-5.61\%/100) / 360 = -\1.56

Where:

CV is \$10,000

FR is -5.61% p.a.

No Finance Charge/Finance Credit is paid or received if you open and close an Equity Derivative, Commodity Derivatives, Indices and Cryptocurrency Derivatives position on the same day.

Finance Charge Adjustment on Trading Account Balance or Cash Balance

Trading on Prime MT Trader

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

Trading on IRESS Trader and Global Trader

Global Prime may choose to pay a Finance Credit Adjustment earned on your Trading Account on positive Cash Balance.

A Finance Charge Adjustment may be debited to your Trading Account, if the Balance or Cash Balance relating to your Trading Account is negative.

The Finance Charge Adjustment or Finance Credit Adjustment applied to your Trading Accounts will be calculated using the Base Rate (see definition in the Glossary) applied to the negative Balance or Cash Balance amount.

For example, if the Balance or Cash Balance amount is negative A\$30,000 for 10 days and assuming the Base Rate is 7.5% p.a., then the Finance Charge will be calculated as $AUD\$30,000 \times (7.5\%/365 \text{ days} \times 10 \text{ days}) = A\61.64 or A\$6.164 per day.

An additional Finance Charge Adjustment may be imposed if you have not paid Global Prime any amount you are required to pay, such as an overdue payment to close an Account.

Global Prime may at any time without prior notice apply different Base Rates.

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 Global Prime). Bank charges and fees imposed on Global Prime to clear your funds or in respect of your payments will also be charged to your Account.

The Financial Product Service Terms may allow Global Prime 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 Global Prime 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. Global Prime may debit these amounts to your Trading Account.

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 Global Prime to effect a Transaction denominated in a currency different from the denomination of your Account currency, Global Prime 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 Global Prime.



6.2 Discretions

Global Prime has discretions under the Financial Product Service 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 Global Prime 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 Global Prime exercising its discretions – see Section 4.

Our other discretions include:

- setting our fees and interest rates (Base Rate, Finance Rate and 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

Global Prime has a number of policies that can affect your Global Prime Product investments. The policies are guidelines that Global Prime (including all of its

staff) is expected to follow but policies are not part of the Financial Product Service 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 our website at www.globalprime.com.au.

Our key policies relevant to Global Prime Products currently are:

- client suitability policy;
- client money policy;
- margin call policy; and
- conflicts of interests management policy.

6.4 Anti-Money Laundering Laws

Global Prime is subject to anti-money laundering and counter-terrorism financing laws (AML laws) that can affect your Global Prime Product trading. If your Account is established, Global Prime may disclose your personal information or stop transactions on your Account for the purposes of the AML laws or under Global Prime'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 About Global Prime

Global Prime is an Australian owned investment company. Further information about Global Prime is available on its website at www.globalprime.com.au.

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



6.6 Applications

You apply for an Account by returning to Global Prime a completed application form which accompanies the booklet with the Financial Product Service Terms, available by contacting Global Prime directly by registering online via the website www.globalprime.com.au.

Accounts can be funded by electronic transfer, Bpay, cheque and credit/debit card available for Global Prime Products traded on the Prime MT Trader Platform. Further details are available by contacting Global Prime or on its website at: <http://www.globalprime.com.au>.

All funds must be cleared funds before they are credited to your Account to be made available for you to use in acquiring Global Prime Products. Payments using B-Pay are not cleared funds in your Account at the time of use of B-Pay. Generally, cleared funds are received in your account 24 hours after the use of B-Pay.

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 Global Prime 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 Global Prime Products traded on the Prime MT Trader Platform, 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 Global Prime 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 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 Global Prime Products are traded using your online trading platform.

6.7 Taxation Implications

Global Prime 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. Global Prime does not provide any taxation advice.

The following information should be regarded as general information only.

Profits and losses on Global Prime Products

Any gains derived or losses incurred by you in respect of Global Prime 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 Global Prime 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. Global Prime's current understanding is that those withholding rules do not apply to its Global Prime financial products; however, if it is later determined to apply and you have not provided Global Prime with your tax file number or an exemption category, Global Prime 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 Global Prime 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 Global Prime Products are not subject to goods and service tax.



Profits and losses on Global Prime Products

Any gains derived or losses incurred by you in respect of Global Prime 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 Global Prime Product for the purpose of trading, you should seek independent taxation advice relevant to your circumstances.

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Costs, fees and charges

If the Global Prime 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 Global Prime Products are not subject to goods and service tax.

6.8 Cooling Off

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

6.9 Ethical Considerations

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

6.10 Jurisdictions

The Global Prime 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.

6.11 Global Prime insurance

Global Prime 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 Global Prime'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, Global Prime may not be able to make the payments it owes to you.

6.12 Dispute Resolution

Global Prime wants to know about any problems you may have with the service provided to you so we can take steps to resolve the issue. Global Prime 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 5 business days.
3. If your complaint is not satisfactorily resolved through your adviser, within 5 business days of receipt of your complaint, please contact the Compliance Department on 02 8277 6655 or put your complaint in writing and send it to the Compliance Department at:

Level 27, 25 Bligh Street
Sydney NSW 2000



4. Global Prime 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.
5. If you still do not get a satisfactory outcome, you have the right to complain to the Australian Financial Complaints Authority (AFCA). AFCA is an external complaints and dispute resolution body. The service to you is free. The contact details for AFCA are:

Australian Financial Complaints Authority
 Mail: G.P.O. Box 3,
 Melbourne VIC 3001

Toll Free: 1800 931 678
 Website: www.afca.org.au
 Email: info@afca.org.au

Global Prime - membership number 24605.

6. 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.

6.13 Privacy

All of the information collected by Global Prime, 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.

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

Global Prime 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 Global Prime 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 Global Prime has collected the information from you, Global Prime 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 Global Prime if you use, or intend to use, services of those other corporations;
- related bodies corporate of the issuer (if that becomes different from Global Prime);
- any organisations to whom Global Prime outsources administrative functions;
- brokers or agents who refer your business to Global Prime (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 Global Prime (subject to permitted exceptions), by contacting Global Prime. We may charge you for that access.

As Global Prime 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



Global Prime 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 Global Prime no longer requires the information for the purpose referred to above.

Global Prime 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 our Privacy Policy at www.globalprime.com.au.

Section 7 – Glossary

7.1 Global Prime Glossary

Account means your account with Global Prime established under the Financial Product Service 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.

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

AUD means the lawful currency of the Commonwealth of Australia.

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 Global Prime as the buyer is willing to accept i.e. the price at which you can currently sell the Global Prime 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.

Client refers to the person who has an Account with Global Prime.

Close Out, Closed Out and **Closing Out** in relation to a Transaction means discharging or satisfying the

obligations of the Client and Global Prime 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 Global Prime Product is agreed to be Closed Out, or earlier, if deemed to be Closed Out in accordance with the Financial Product Service Terms.

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

Commodity Derivative means Global Prime Products whose Underlying Reference Instrument is a commodity.

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.

Cryptocurrency Derivative means Global Prime Products whose Underlying Reference Instrument is a cryptocurrency (or digital token). For example Bitcoin, Bitcoin cash, Ethereum, Litecoin and Ripple.

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

Equity Derivative means a Global Prime Products whose Underlying Reference Instrument is a financial product traded on an equities Exchange.

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 Global Prime 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 Financial Product Service Terms.

Finance Credit Adjustment means the amount you receive in respect of your Transaction, in accordance with the Financial Product Service Terms.

Financial Product Service Terms means the terms of your Account with Global Prime, 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 Financial Product Service Terms.

Futures Derivative means Global Prime Products whose Underlying Reference Instrument is a Futures Contract.

Futures Contract means a financial product traded on a futures Exchange whose specifications determine the terms of the relevant Futures Derivative. For example, the terms of Futures Derivative whose Underlying Reference Instrument is the ASX/SPI 200 Index™ will be determined based on the specifications of that Futures Contract.

FX means foreign exchange.

FX Product means Global Prime Products whose Underlying Reference Instrument (or pair of them) is a currency (including a cryptocurrency (or digital token)).

Global Prime means Global Prime Pty Ltd ABN 74 146 086 017; AFSL 385 620 and, in accordance with the terms, any person who is a permitted assignee or other successor to Global Prime.

Global Prime Trading Platforms means Global Prime's online trading platforms including **Global Trader**, Prime Meta Trader (**Prime MT Trader**) and **IRESS Trader** for trading in Global Prime Products.

Global Prime Products refers to all products that are issued by Global Prime under the Financial Product Service Terms. A full list of specific financial products on offer by Global Prime from time to time is available on the website at www.globalprime.com.au.

Global Prime Trust Account means the bank account maintained by Global Prime 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 Securities means Gleneagle Securities (Aust) Pty Ltd ABN 58 136 930 526, AFSL 337 985.

Hedge Counterparty means Gleneagle Securities, being the only entity that Global Prime enters into hedge contracts with to hedge Global Prime's exposure to Global Prime Products.

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

Index and **Indices** refers to Global Prime 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 Global Prime Product.

JPY means the lawful currency of Japan.

Leverage Rate means a transaction size/ margin ratio for each Global Prime Product. For example, the 1:30 Leverage Rate means that the Client is required to have 3.3% of transaction size in its Account as Margin.

Margin means the amount of money (or money's worth) paid to Global Prime and value of the Non-margin product including synthetic equity contracts, (usually shown as a percentage) available to be counted as Margin Cover and so contributes towards meeting your Margin requirements arising from the Global Prime Products and credited to your Account as Margin.

Metal Product means a Global Prime 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.

Non-margin product means a Global Prime Product (or other Transaction) which has a Margin requirement equal to the full Contract Value (i.e. 100%) of the Underlying Reference Instrument. This means there will be no later Margin requirement for that product (unless in respect of an instalment payment on an Underlying Reference Instrument which is a partly paid security). This product could be a synthetic equity.

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.

Option means a Global Prime Product whose Underlying Reference Instrument is an option.

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 23:59 London 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.

Spot means the theoretical Value Date for a Transaction will occur two (2) Business Days following the day on which the Transaction is entered into.

Spread means the difference between the Bid Price and the Ask Price of Global Prime Products.

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 Global Prime Products.

Trading Account means the various types of Accounts offered by Global Prime for trading purposes on the Global Prime Trading Platforms including the standard, Pro and Gold Trading Accounts established under the Financial Product Service Terms.

Transaction means a transaction in any of the kinds of Global Prime Product which are traded under the Financial Product Service Terms.

Transaction Fee means the fee or commission from time to time specified by Global Prime to be the amount payable by you to Global Prime in respect of each Transaction as set out in this PDS or as later

varied in accordance with the Financial Product Service Terms and this PDS.

Transaction Price means, for FX products, the Exchange Rate and, for Metal Products, Equity Derivatives, Futures Derivatives, Commodity Derivatives and Options, it is the price (or for indices, the level) of buying or selling the financial product.

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 Global Prime Products, such as a share or similar equity financial product, commodity, option, Futures Contract, index or other item (or any combination of one or more of those).

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

7.2 Prime MT Trader Glossary

Balance means the funds available in a Trading Account that may be used for trading Global Prime Products.

Equity means the current value of your Trading Account i.e. net worth of funds in the Account, which is calculated by Global Prime 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 and Charges.

Contract Value means the face value of the Global Prime Product and is calculated by Global Prime by multiplying the applicable price by the Lot traded and the Contract Size.

Contract Size means the standard volume per 1 Lot expressed either in ounces or number of contracts. An indication of the standard transaction sizes for the Global Prime Products is available on the website at www.globalprime.com.au.

Finance Rate means the amount nominated by Global Prime for this term from time to time, as notified to you (including through the online trading platform) or posted on its website.

(a) In the absence of any valid nomination, when you hold a long Equity Derivative and Index position overnight, the Finance Rate for a Finance Charge Adjustment debited to your Account (or Trading Accounts) is the prevailing overnight



“London InterBank Offer Rate” (currently referred to as bbalibor™, previously known as “LIBOR”) plus a mark-up, up to a maximum of 25%. bbalibor™ is a primary benchmark for short term interest rates globally. The overnight bbalibor™ is widely published via a number of data vendors.

(b) In the absence of any valid nomination, when you hold a short Equity Derivative and Index position overnight the Finance Rate for a Finance Charge Adjustment credited to your Account (or Trading Accounts) is the prevailing overnight “London inter-bank bid rate” (LIBID) being the rate of interest at which banks in London bid for deposit funds less a mark-down, up to a maximum amount of 25%. If the rate calculated by applying LIBID minus the mark-down results in a debit as opposed to a credit, then this will be the Finance Rate for a Finance Charge Adjustment to be debited to your Account (or Trading Account). The overnight LIBID is widely published via a number of data vendors.

Free Margin means the value of funds that are available for opening a position. It is calculated by Global Prime by subtracting from the Equity the required 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 Level means the Equity to Margin ratio calculated as Equity divided by Margin.

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 for 1 Lot denominated in the Account Currency, for instance, if you know that the EUR/USD is quoted with four decimals, so for a 1 Lot position you can multiply the Contract Size by the Tick being the four decimal value of one pip, or USD 0.0001. So, on a EUR/USD 100,000 (1 Lot) Transaction, the Point Value for 1 Lot would equal USD 10. On a USD/JPY 100,000 (1 Lot) Transaction, the Value for 1 Lot 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.

Prime MT Trader means Global Prime online trading platform of this name, where FX Products, Metals Products, Indices and Cryptocurrency Derivatives are traded.

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

7.3 Global Trader Glossary

Account Value means the current value of your Global Trader Account which is calculated by Global Prime by combining:

- the balance of the cash account (Cash Balance);
- the sum of the values of the Non-margin product's positions;
- the unrealised value (positive/negative) of the Open Positions in Margin Products
- indicative costs to Close (Transaction Fees, Finance Charges); and
- the values of Transactions not yet booked.

Base Rate means the amount nominated by Global Prime for this term from time to time, as notified to you (including through the online trading platform) or posted on its website.

(a) In the absence of any valid nomination, the Base Rate for a Finance Charge debited to your Account (or Trading Accounts) is the prevailing overnight “London InterBank Offer Rate” (currently referred to as bbalibor™, previously known as “LIBOR”) plus 4%. bbalibor™ is a primary benchmark for short term interest rates globally. The overnight bbalibor™ is widely published via a number of data vendors and those financial services and media outlets are licensed to display bbalibor data after 5:00 p.m. London Time.

(b) In the absence of any valid nomination, the Base Rate for a Finance Charge credited to your Account (or Trading Accounts) is the prevailing overnight “London inter-bank bid rate” (LIBID) being the rate of interest at which banks in London bid for deposit funds less an amount of 3% (but so that the Base Rate for any credit can never be less than 0%). The overnight LIBID is widely published via a number of data vendors.

Global Prime is not authorised to publish LIBOR or LIBID data on a continuous basis, but there are rates displayed on your Global Trader which should be used for information purposes only.

Finance Rate means the amount nominated by Global Prime for this term from time to time, as



notified to you (including through the online trading platform) or posted on its website.

- (a) In the absence of any valid nomination, when you hold a long Equity Derivative and Index position overnight, the Finance Rate for a Finance Charge Adjustment debited to your Account (or Trading Accounts) is the prevailing overnight "London InterBank Offer Rate" (currently referred to as *bbalibor*[™], previously known as "LIBOR") plus a mark-up, up to a maximum of 10%. *bbalibor*[™] is a primary benchmark for short term interest rates globally. The overnight *bbalibor*[™] is widely published via a number of data vendors and those financial services and media outlets are licensed to display *bbalibor* data after 5:00 p.m. London Time. The mark-up is disclosed in the Trading Conditions.
- (b) In the absence of any valid nomination, when you hold a short Equity Derivative and Index position overnight the Finance Rate for a Finance Charge Adjustment credited to your Account (or Trading Accounts) is the prevailing overnight "London inter-bank bid rate" (LIBID) being the rate of interest at which banks in London bid for deposit funds less a mark-down, up to a maximum amount of 10%. If the rate calculated by applying LIBID minus the mark-down results in a debit as opposed to a credit, then this will be the Finance Rate for a Finance Charge Adjustment to be debited to your Account (or Trading Account). The overnight LIBID is widely published *via* a number of data vendors. The mark-down is disclosed in the Trading Conditions.

Global Prime is not authorised to publish LIBOR or LIBID data on a continuous basis, but there are rates displayed on your Global Trader which should be used for information purposes only.

Cash Balance means the funds available in a Trading Account that may be used for trading Global Prime Products.

Contract Value means the face value of the Global Prime Products, and is calculated by Global Prime by multiplying the applicable price (or, if an index, the level) of the relevant Underlying Reference Instrument by the number of Underlying Reference Instruments (or, if an index, multiplier) specified in or for the purpose of the Global Prime Products.

Global Trader means the Global Prime online trading platform of this name, which is a multi-product platform where all Global Prime Products (including Non-margin Products) traded on this platform are OTC derivatives.

Margin Cover means the amount of Margin available for margin trading on your Account. It is calculated by Global Prime by subtracting from the Account Value: (i) the required Margin; (ii) that part of the value of Open Positions which are Margin Products which is not available to be counted as Margin Cover (usually shown as a percentage of the unrealised value of the Margin Product) and (iii) that part of the value of Open Positions which are Non-margin products which is not available to be counted as Margin Cover (usually shown as a percentage of the value of the Non-margin product).

Margin Product means a Global Prime Product (or other Transaction) which has a required Margin of less than the full Contract Value of the Underlying Reference Instrument.

Margin Trading refers to any trading in any Margin Product.

Margin Utilisation is expressed as a percentage and relates to the proportion of the Account Value which you are utilising for Margin requirements. The purpose of the Margin Utilisation is to calculate and show simply in percentages how you are meeting your obligation to maintain sufficient Margin, For example, if the Margin Utilisation on your Account is above 100%, you have already failed to maintain the minimum required Margin and ordinarily you would already have received a Margin call. The formula used by Global Prime to calculate this is:

$$\frac{\text{Margin requirement}}{(\text{Margin Cover} + \text{Margin requirement})} \times 100$$

(expressed as %)

Non-margin product means a Global Prime Product (or other Transaction) which has a Margin requirement equal to the full Contract Value (i.e. 100%) of the Underlying Reference Instrument. This means there will be no later Margin requirement for that product (unless in respect of an instalment payment on an Underlying Reference Instrument which is a partly paid security). This product could be a synthetic equity.

7.4 IRESS Trader Glossary

Account Value means the current value of your Account which is calculated by Global Prime by combining:

- the balance of the cash account (Cash Balance); and
- the unrealised value (positive/negative) of the Open Positions;

Cash Balance means the funds available in a Trading Account that may be used for trading Global Prime Products.

Contract Value means the face value of the Global Prime Products, and is calculated by Global Prime by multiplying the applicable price (or, if an index, the level) of the relevant Underlying Reference Instrument by the number of Underlying Reference Instruments (or, if an index, multiplier) specified in or for the purpose of the Global Prime Products.

Finance Rate means the amount nominated by Global Prime for this term from time to time, as notified to you (including through the online trading platform) or posted on its website.

- (a) In the absence of any valid nomination, when you hold a long Equity Derivative and Index position overnight, the Finance Rate for a Finance Charge Adjustment debited to your Account (or Trading Accounts) is the prevailing 1 month Bank Bill Swap rate (currently referred to as BBSW) plus a mark-up, up to a maximum of 3%. BBSW is a primary benchmark for evaluating floating rate bonds or investments. The BBSW is widely published via a number of data vendors. The mark-up is disclosed in the Trading Conditions.
- (b) In the absence of any valid nomination, when you hold a short Equity Derivative and Index position overnight the Finance Rate for a Finance Charge Adjustment credited to your Account (or Trading Accounts) is the prevailing overnight "London inter-bank bid rate" (LIBID) being the rate of interest at which banks in London bid for deposit funds less a mark-down, up to a maximum amount of 4.5%. If the rate calculated by applying LIBID minus the mark-down results in a debit as opposed to a credit, then this will be the Finance Rate for a Finance Charge Adjustment to be debited to your Account (or Trading Account). The overnight LIBID is widely published *via* a number of data vendors. The mark-down is disclosed in the Trading Conditions.

Global Prime is not authorised to publish LIBOR or LIBID data on a continuous basis, but there are rates displayed on your Global Trader which should be used for information purposes only.

IRESS Trader means Global Prime online trading platform of this name, where Equity Derivatives are traded.

Margin Cover means the amount of Margin available for margin trading on your Account. It is calculated by Global Prime by (i) subtracting from the Account Value the required Margin; (ii) adding that part of the value of Open Positions which are Non-margin product which are available to be counted as Margin

Cover (usually shown as a percentage of the value of the Non-margin product).