Plus500

World's Trading Machine

PRODUCT DISCLOSURE STATEMENT

Contracts for Difference issued by Plus500AU Pty Ltd (NZ clients only)

15 March 2018

This document replaces the previous Plus500AU Pty Ltd Product Disclosure Statement for Contracts for Difference, dated 6 February 2018.

This document provides important information about the contracts for difference issued by Plus500AU Pty Limited to help you decide whether you want to enter into such products. There is other useful information about this offer at www.business.govt.nz/disclose.

Many derivatives, are complex and high-risk financial products and are not suitable for most retail investors. If you do not fully understand a derivative described in this document and the risks associated with it, you should not enter into it. You can also seek advice from a financial adviser to help you make your decision. You should ask if that adviser has experience with these types of derivatives.

Plus500AU Pty Ltd has prepared this document in accordance with the Financial Markets Conduct Act 2013.

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1. KEY INFORMATION SUMMARY

1.1 WHAT IS THIS?

This is a Product Disclosure Statement ('**PDS**') for Contracts for Difference (**CFDs**) provided by Plus500AU Pty Ltd ('**Plus500AU', 'us',' we', 'our'**) on the Plus500 Platform. CFDs are derivatives, which are contracts between you and Plus500AU Pty Ltd that may require you or Plus500AU to make payment. The value of the contract will depend on the price, value or level (as the case may be) of the underlying reference instrument at both the time at which the CFD is opened and the time at which the CFD is closed. The underlying reference instrument may be a commodity, currency, share, index or other financial instrument listed on the Plus500 Platform (each, an '**Eligible Reference Instrument**'). The contract specifies the terms on which those payments must be made.

1.2 WARNING

1.2.1. Risk that you may owe money under the derivative

If the price, value or level (as the case may be) of the Eligible Reference Instrument changes, you may suffer losses. In particular, unlike most other kinds of financial products, you may end up owing significant amounts of money. You should carefully read Section 2.3 of this PDS on how payments are calculated.

1.2.2. Your liability to make margin payments

Plus500AU may require you to make additional payments of margin to contribute towards your future obligations under a CFD. These payments may be required at short notice and can be substantial. You should carefully read Section 2.3 of this PDS about your obligations.

1.2.3. Risks arising from Plus500AU's creditworthiness

When you enter into derivatives with Plus500AU, you are exposed to a risk that Plus500AU cannot make payments as required. You should carefully read Section 3 of this PDS (risks of these derivatives) and consider Plus500AU's creditworthiness. If Plus500AU runs into financial difficulty, the margin you provided may be lost.

1.3 ABOUT US

Plus500AU is a provider of CFDs through the Plus500 Platform. More information about Plus500AU is available on our website www.plus500.co.nz.

1.4 WHICH DERIVATIVES ARE COVERED BY THIS PDS?

This PDS covers CFDs over Eligible Reference Instruments. CFDs allow you to make a gain or loss, depending on changes in the price, value or level (as the case may be) of the Eligible Reference Instrument underlying the CFD. CFDs are always cash-settled. This means that in no circumstances will you be entitled to delivery of the underlying Eligible Reference Instrument.

When trading CFDs, you and Plus500AU agree to exchange the difference in value of the CFD between when the CFD is opened and when it is closed. You will either be entitled to be paid an amount of money (if the value of the CFD has moved in your favour) or will be required to pay an amount of money (if the value of the CFD has moved in our favour). The value of the CFD is linked, but not identical, to the price or level at which the Eligible Reference Instrument underlying the CFD is trading at the relevant time.

Some of the benefits of trading in CFDs via the Plus500 Platform include:

- The Plus500 Platform offers you the opportunity to trade in CFDs over a variety of Eligible Reference Instruments, all from a single account.

- It is possible to make a gain or loss on CFDs in both rising and falling markets.

- CFDs are a leveraged product, which means that you may be required to contribute a smaller amount of up-front capital than you might otherwise be required to contribute when trading more traditional products to gain equivalent exposure to an Eligible Reference Instrument.

- There are no account opening fees or trading commissions, except as described in Section 4 of this PDS.

- We are able to provide CFD trading facilities through our online trading platform, which is currently accessible via: Desktop Trader, WEB Trader, iPhone APP, iPad App, Android App and Android Tablet App.

2. KEY FEATURES OF THE DERIVATIVES

2.1 WHAT IS A CFD?

CFDs are agreements between you and us which allow you to make a gain or loss, depending on the movement in the price, value or level of the underlying Eligible Reference Instrument. The CFD derives its value from the underlying Eligible Reference Instruments - which are never delivered to you, and you do not have a legal right to, or ownership of, them. Rather, your rights derive from the CFD itself. The money you will receive will depend on whether the underlying currency pair or asset you choose moves in your favour. If it does, then you will make a gain and you will be paid an amount of money. If it does not, then you will make a loss and you will be required to pay an amount of money.

The amount of money that you could be required to pay is the difference between the value of the CFD as specified on the Plus500 Platform at the time of opening the transaction and the value of the CFD as specified on the Plus500 Platform at the time of closing the transaction, plus or minus any Overnight Funding (as defined in Section 4 below) (the '**Difference**').

A CFD is not traded on an exchange. This means that it is an over the counter ('**OTC**') product and you are trading with Plus500AU as the counterparty to the trades you undertake and all trades must be closed with us.

2.2 SUMMARY OF THE KEY BENEFITS OF CFDS

When you open a CFD via the Plus500 Platform, you are required to pay a deposit (the '**Initial Margin**'). The Initial Margin payable in respect of a CFD may be much less than the amount that you would be required to pay to directly acquire an equivalent number of Eligible Reference Instruments (this is why CFDs are often referred to as "margined" or "leveraged" products). This is a key benefit of trading in CFDs. However, leverage also contributes to the risk of trading in these products – see Section 3.1.4 of this PDS, under the heading "Leverage risk".

Another key benefit of trading in CFDs versus acquiring a direct interest in the underlying Eligible Reference Instrument is that your trading in CFDs can be conducted online, through one account. By contrast, trading in traditional products could require you to establish brokerage accounts in each market in which an Eligible Reference Instrument is traded, which may attract multiple account opening fees. Plus500AU does not charge account opening fees or trading commissions. However, other charges may apply in connection with your use of the Plus500 Platform – see Section 4 of this PDS.

2.3 AMOUNTS PAYABLE

2.3.1 Overview

The following is a step-by-step guide to trading in CFDs on the Plus500 Platform. It includes a description of the amounts payable at each stage of the transaction.

Step 1: Opening a Trading Account

The first step is to establish an account with us (a '**Trading Account**'). In order to do this, you must fill out the registration form on our website. A pre-condition to successful registration is an acknowledgement by you that you have read this PDS, and that you have read and agreed to be bound by the user agreement provided to you at that time ('**Client Agreement**'). Another pre-condition is that you meet our client qualification criteria. We will use the information that you provide to assess whether the products traded on our trading platform are suitable for you, taking into account your knowledge, experience and level of understanding of CFDs. Once you are registered, you will be able to login online to your Trading Account using your username and password.

Step 2: Funding your Trading Account

Once your Trading Account is established, you can make an initial deposit with us (subject to the minimum and maximum deposit limits published on the Plus500 Platform). Any deposit you make with us must be in New Zealand dollars (the '**Base Currency**') and will be added to your Balance (as defined below).

You can start trading after you verify your phone number. You may also be entitled to a bonus credit to your Balance at this stage.

Balances on your Trading Account are calculated by us, in real time, as follows:

Adjustment*: Overnight Funding + Dividend Adjustment + Rollover Adjustment
**The Adjustment may be positive or negative.*

Balance*: = Deposits - Withdrawals + total P&L of closed positions.
**Does not include profit or loss on current open positions.*

Available Balance*: = Balance +P&L of open positions – total Initial Margins

**This is the amount available to be used for new positions or to withdraw subject to the minimum withdrawal amount.*

P&L*: = total P&L + Adjustments
**This number represents the projected profit and loss on all of your open positions.*

Equity*: = Balance + P&L
**The current account valuation when all positions are liquidated.*

All valuations are made by us according to the prices that we are then quoting on our trading platform. Therefore, your Equity, Available Balance and P&L are constantly calculated in line with market movements.

If any of your positions are denominated in a currency other than the Base Currency, they will be continually valued at the NZD exchange rate quoted on the Plus500 Platform. Your statement will report Balances in the Base Currency.

Step 3: Opening a CFD and Paying the Initial Margin

You open a CFD by placing an order to 'buy' or 'sell' a CFD over a particular Eligible Reference Instrument. Upon opening a CFD, you will be immediately required to deposit Initial Margin with us. A CFD cannot be opened until the Initial Margin has been deposited with us. We will deduct Initial Margin from your Available Balance. We will tell you what Initial Margin is required before you trade.

Margin is not part payment for an underlying Eligible Reference Instrument and there is no capacity for a CFD to be converted into the underlying Eligible Reference Instrument.

Initial Margin is calculated by multiplying the "Initial Transaction Value" by the "Initial Margin %". The Initial Transaction Value for a CFD will be displayed on the Plus500 Platform. The Initial Margin % is set by us and is different for each Eligible Reference Instrument. The percentage varies according to volatility and market conditions. The Initial Margin % applicable to a particular Eligible Reference Instrument is set out in the instrument details tab for that Eligible Reference Instrument on the Plus500 Platform. We may vary the Initial Margin % at our discretion, but that won't change the Initial Margin needed for positions already open.

Example 1

Janet decides to 'buy' a CFD over 10,000 COMPANYX Limited shares at a price of $5.36 per share. The Initial Margin % for COMPANYX Limited shares is 10%.

The Initial Margin required to open Janet's position is 10% x $5.36 x 10,000 = $5,360.

Step 4: Maintaining your Position

In order to keep your position open, you will need to ensure that your Equity remains at all times greater than or equal to the sum of the Maintenance Margin required in respect of all of your open positions (the '**Maintenance Margin Amount**').

Maintenance Margin for a position is calculated by multiplying the Initial Transaction Value for that position by the "Instrument Maintenance Margin %". As noted above, the Initial Transaction Value for a CFD will be displayed on the Plus500 Platform. The Instrument Maintenance Margin % is set by us and is different for each Eligible Reference Instrument. The Instrument Maintenance Margin % applicable to a particular Eligible Reference Instrument is set out in the instrument details tab for that Eligible Reference Instrument on the Plus500 Platform. We may vary the Instrument Maintenance Margin % at our discretion.

It is your responsibility to ensure that your Trading Account is sufficiently funded at all times, especially during volatile periods.

If your Equity falls below the Maintenance Margin Amount, you will only be allowed to close or reduce open positions, until your Equity is back in excess of the Maintenance Margin Amount.

Example 2

Bill thinks that the price of oil will fall in the near future. Bill resides in New Zealand. He sees that the prices quoted on the Plus500 Platform for CFDs over oil are USD45.60/USD45.65. Bill offers to sell a CFD over 1000 barrels of oil at USD45.60, the bid price. He wants to buy it later at a lower price, in order to close his position at a profit. Bill has a Balance of NZ$1,110. For this example let's assume 1 USD = 1 NZD and that Bill does not have any other open positions.

The Instrument Maintenance Margin % for oil is 0.33%. This means that the Maintenance Margin for Bill's position is 0.33% x USD45.60 x 1,000 = USD150. Bill must ensure that his Equity exceeds USD150 to keep his position open.

The next day the price of oil has jumped suddenly to USD46.50/USD46.55 and Bill's projected gross loss on the trade is USD950 (1,000 x ($46.55 - $45.60) = USD950).

To calculate Bill's overall, or net, projected loss you also have to take into account the Overnight Funding (as defined in Section 4 below). In this example, assume the Overnight Funding is -0.15%, or -USD68.40 (USD45,600 x -0.15%) per day.

Gross loss on trade:	(USD950)
Overnight Funding:	(USD68.40)
Net loss on trade:	USD1,018.40 = NZ$1,018.40

Bill's Equity is now $91.60 (being his Balance ($1,110) minus the projected net loss on his trade ($1,018.40)). Because Bill's Equity is less than the required Maintenance Margin ($150) he is required to immediately deposit further funds in order to keep his position open. In these circumstances, we may also take steps to force closure of the transaction, to protect Bill from further loss – see Section 2.4.3 of this PDS under the heading "Our right to force close".

Step 5: Closing your Position and Paying or Receiving the Difference

You close a CFD by taking an opposite position to that taken by you under Step 3 above.

Upon closure of the CFD, you will either be entitled to be paid the Difference (if the value of the CFD has moved in your favour) or will be required to pay the Difference (if the value of the CFD has moved in our favour). The Difference is equivalent to the difference between the value of the CFD as specified on the Plus500 Platform at the time of opening the transaction and the value of the CFD as specified on the Plus500 Platform at the time of closing the transaction, plus or minus any Overnight Funding (as defined in Section 4 below).

Your liability to pay the Difference is capped at an amount equivalent to your Equity at the time the transaction is closed. In other words, you will not remain liable to pay any amounts which cannot be covered by the closing out of all of your positions.

We offer settlement of trades on a real time basis. Your account will be credited/debited when you close your position.

2.3.2 Important information about margin

Margin payments may be required at short notice and can be substantial.

We will try to send you an SMS and e-mail alert once every 24 hours if we believe that you may need to contribute further margin in order to keep your position open. An alert is triggered according to the following formula:

Equity <= total Maintenance Margin on all open positions.

It is your responsibility to constantly monitor your open positions on the Plus500 Platform to ensure that you retain sufficient Equity to support your open positions.

To assess whether you are due to pay margin, you must add up the Maintenance Margin requirements for all open positions on your Trading Account.

It is your obligation to monitor your margin position and pay any shortfall. If you do not pay us any shortfall immediately, the Client Agreement gives us significant rights against you that you should be fully aware of. These rights include, but are not limited to, closing your open positions without prior notice to you. We have these rights as soon as you have a margin shortfall – however large or small. We will not pay interest on margin deposited with us.

Margin payments are required in the form of cleared funds in our bank account or instant deposit methods such as credit cards, debit cards or Money Bookers.

2.4 MANAGING RISKS BY USING STOPS AND LIMITS

2.4.1 STOP ORDERS

We offer features on our trading platform that help you control trading losses. These include the ability to place various orders, such as ‘Stop Orders’ (including conventional Stop Orders and Trailing Stops), ‘Limit Orders’ and ‘Buffer Limits’ (each an ‘**Order**’), that allow you to open or close a CFD when our quote for that instrument reaches or goes beyond a certain price (the ‘**Trigger Price**’).

All Orders are live until cancelled by you (GTC – good ’til cancelled). You can place an Order online, via the Plus500 Platform. Telephone and e-mail Orders are not accepted by Plus500AU.

If we accept an Order from you, then when the bid price quoted on the Plus500 Platform (in case of sells) or the offer price quoted on the Plus500 Platform (in case of buys) for a CFD over a particular Eligible Reference Instrument reaches or exceeds the Trigger Price, your instruction to close-out your position will be executed.

It is your responsibility to ensure that you understand how an Order operates before you place any Order with us. Examples are set out below and further information can be found on our website. By placing an Order with us, you acknowledge that you understand the terms and conditions attached to such Order.

You should note that your Order may be executed irrespective of the length of time that the bid price quoted on the Plus500 Platform (in case of sells) or the offer price quoted on the Plus500 Platform (in case of buys) for a CFD over a particular Eligible Reference Instrument has reached or exceeded the Trigger Price. In volatile markets, our quote might ‘gap’ through the Trigger Price (see section 3.1.3 of this PDS, under the heading ‘Gapping risk’), so that the closing price or the opening price for a particular Eligible Reference Instrument may be beyond the exact Trigger Price specified by you.

It is important to understand that, when you place an Order, you are dealing with us as principal; you are not dealing on the underlying market for the applicable Eligible Reference Instrument. While we seek to execute your Order at the price that might have been achieved had a similar order been placed in the underlying market for the applicable Eligible Reference Instrument, it may not be possible to determine what such a price might have been. Unless you have placed a Guaranteed Stop Order (as defined in Section 2.4.4 below), we do not guarantee your Order will be executed at the Trigger Price. Where these circumstances exist, we will exercise our reasonable discretion to determine when Orders are triggered and the price at which the relevant transaction is opened or closed (as the case may be).

You can cancel or amend the Trigger Price with our agreement at any time before our quote or the relevant market price reaches or exceeds your current specified Trigger Price. Be aware that any cancellation or amendment may require you to provide additional funds as margin.

Your Order will be filled in a single tranche (i.e., your entire transaction will be opened or closed (as applicable) at the same price). Plus500 doesn’t split Orders.

Example 3

The price quoted on the Plus500 Platform for a CFD over Company Y shares is $6.41/$6.46. Bill offers to 'sell' a CFD over 10,000 Company Y shares at $6.41, the bid price. Bill decides to place a conventional Stop Order with a Trigger Price of $6.70. There is no cost or fee payable by Bill for placing a Stop Order and margin requirements are not affected by adding a Stop Order to a position.

Now that the Stop Order is implemented, should the market move against Bill, his position would be closed at $6.70 or at the next available price that we consider representative, fair and reasonable in the event that the market 'gaps' straight through the Stop Order Trigger Price.

After Bill held his CFD over Company Y shares for a month, Company Y releases some positive news which results in the Company Y share price opening significantly higher, at $6.91/$6.96. Company Y shares had been trading at $6.05/$6.10 the previous day. The rise in the Company Y share price causes Bill's Stop Order to be triggered, and his position is closed at $6.96.

Bill's gross loss on the trade is calculated as follows:

Opening level: $6.41
Closing level: $6.96
Difference: $0.55
Gross loss on trade: $0.55 x 10,000 = $5,500

To calculate Bill's overall or total loss on the trade, you must also take into account the Overnight Funding and dividend adjustments that might have been credited or debited to Bill's Trading Account during the period the position was held. In this example, assume that no dividend was payable during the relevant period, and the total Overnight Funding credited to Bill was $238.80.

Bill's total loss is calculated as follows:

Gross loss on trade: ($5,500)
Dividend adjustment: $0
Overnight Funding: $238.8
Overall or total loss: ($5,261.20)

2.4.2 TRAILING STOPS

Trailing Stops are a type of Stop Order that track your positions automatically, and close your trade once the price of the relevant CFD reaches or exceeds the Trigger Price, should the market move against you. The benefit of a Trailing Stop is that the Trigger Price moves positively with the market, whereas the Trigger Price of a conventional Stop Order remains fixed. Once a Trailing Stop is triggered, it is treated in exactly the same manner as a conventional Stop Order.

The Trigger Price for a Trailing Stop is determined according to the 'Stop Distance'. The 'Stop Distance' is determined by you at the time you place the Order and must be a number of 'Pips' above or below the opening price. A 'Pip' is the smallest possible price change for a particular Eligible Reference Instrument, as indicated under the instrument details tab for that Eligible Reference Instrument on the Plus500 Platform.

Example 4

The price quoted on the Plus500 Platform for a CFD over Company Z shares is $10.20/$10.30. Ian decides to 'buy' a CFD over 1000 Company Z shares at $10.30, the offer price, and places a Trailing Stop Order with a Stop Distance of 50 Pips. A Pip equals $0.01 in this case.

The Trigger Price for the Trailing Stop initially sits at $9.80, i.e. 50 Pips behind the opening price. Immediately the Company Z share price starts to rise. Very soon, the sell price quoted on the Plus500 Platform for a CFD over Company Z shares has risen to $10.55 (25 Pips above the opening price). The Trigger Price of Ian's Trailing Stop 'steps' up accordingly, by 25 points to $10.05 to re-establish a 50-point distance from the new market level.

The rally continues and by late afternoon Company Z shares are trading at $10.89/$10.99. The Trigger Price of Ian's Trailing Stop now moves to $10.39. A surprise news announcement suddenly causes the Company Z share price to fall and within minutes trading is back down at $10.20/$10.30. This fall in price causes Ian's Trailing Stop to be triggered, and his position is closed at $10.39, 50 Pips below the recent high ($10.89), but still well above the opening price of $10.30.

With a conventional Stop Order, Ian's position would still be open because the Trigger Price associated with his conventional Stop Order would have remained at its initial level of $9.80. By contrast, a Trailing Stop follows the market in a profitable direction.

2.4.3 LIMIT ORDERS

A Limit Order is an instruction to deal if our price moves to a more favorable level (e.g. to 'buy' if our price goes down to a specified level or to 'sell' if our price goes up to a specified level). For example, if the price quoted on the Plus500 Platform for a CFD over Company Q shares was $15.11/$15.15, you might give a Limit Order to buy a CFD over Company Q shares at $19.30. Your Limit Order will be triggered if at any time, inside or outside market hours, the offer price quoted on the Plus500 Platform for a CFD over Company Q shares moves through the level of the Limit Order (in this case $19.30). We will normally accept a Limit Order on any open position.

2.4.4 GUARANTEED STOP ORDERS

A Guaranteed Stop Order is an Order that can be placed (with our agreement) when (and only when) a new position is opened through the Plus500 Platform. The effect of the Guaranteed Stop Order is that your position will be closed-out at exactly the price specified in the Guaranteed Stop Order, with no risk of slippage, unless you close-out your position earlier in accordance with the Client Agreement.

Every Guaranteed Stop Order is made subject to the following conditions:

- Guaranteed Stop Orders are only available in respect of CFDs over certain Eligible Reference Instruments, as indicated in the instrument details tab for each Eligible Reference Instrument on the Plus500 Platform. These details may be updated by us from time to time, at our discretion.

- A Guaranteed Stop Order can be activated or edited only when there is trading and an Eligible Reference Instrument is available on the Plus500 Platform.

- Once a Guaranteed Stop Order is accepted by us, it cannot be revoked; however, the price can be changed.

- The price specified in the Guaranteed Stop Order must be placed a minimum distance (as determined by us) away from the current Eligible Reference Instrument price being quoted by us on the Plus500 Platform.

- As we guarantee your close-out price, a Guaranteed Stop Premium will apply – see Section 4 of this PDS, under the heading 'Guaranteed Stop Premium'.

Example 5

The price being quoted for a CFD over gold on the Plus500 Platform is $1,259.10/$1,259.60 per ounce. Ken decides to 'buy' a CFD over 100 ounces of gold at $1,259.60, the offer price. Ken wants to limit his risk so he decides to place a Guaranteed Stop Order with a specified price of $1,199.20. We accept Ken's Guaranteed Stop Order. This means that, should the market move against Ken to below the Guaranteed Stop Order specified price, his position would be closed at exactly $1,199.20, even if the market gaps suddenly.

3 hours later, the gold price suffered a sharp fall to a level of $1,160.50. Ken's Guaranteed Stop Order is triggered and his position is closed at $1,199.20, even though the gold price gapped straight through to a price of $1,160.50.

Ken's gross loss on the trade is calculated as follows:

Closing level: $1,199.20
Opening level: $1,259.60
Difference: $60.40
Gross loss on trade: $60.40 x 100 = $6,040

Without the Guaranteed Stop Order, Ken would have lost $9,910 ($1,259.60 - $1,160.50) x 100 = ($9,910)).

Please note that, for trades where there is no Guaranteed Stop Order, the price you receive at the time you close-out your position is not guaranteed in this manner.

2.5 TERM OF THE DERIVATIVES

2.5.1 Expiry Dates

In general, you can keep a CFD open for as long as you are able to meet your margin obligations. CFD transactions are closed by you taking an offsetting, opposite position. However, we may, in our sole and absolute discretion, set an expiry date and time (an '**Expiry Date**') for a CFD over a specific Eligible Reference Instrument. This Expiry Date will be displayed under the instrument details tab for the applicable Eligible Reference Instrument on the Plus500 Platform. It is your responsibility to make yourself aware of any applicable Expiry Date.

If you do not close a CFD over an Eligible Reference Instrument that has an Expiry Date, before such Expiry Date, the CFD shall automatically close upon the applicable Expiry Date, in which case the closing price for the CFD shall be deemed to be the last bid or offer price (as applicable) quoted on the Plus500 Platform immediately prior to the applicable Expiry Date for that Eligible Reference Instrument.

2.5.2 Rollover

For CFDs based on futures contracts (such as Index CFDs and most Commodity CFDs), positions will be automatically rolled over (carried forward) to the next contract when the current contract expires. The date and time of rollover (the '**Rollover Date**') will be displayed under the instrument details tab for the applicable Eligible Reference Instrument on the Plus500 Platform. It is your responsibility to make yourself aware of any applicable Rollover Date. Open positions of this nature will be rolled over indefinitely until closed in accordance with the terms of the Client Agreement.

If, at the Rollover Date, the new contract is trading at a higher price than the expiring contract (at a premium), a negative adjustment will be made to the Balance of an investor holding a long (buy) position and a positive adjustment will be made to the Balance of an investor holding a short (sell) position, to take into account the difference in price between the two contracts. Conversely, if the new contract is trading at a lower price than the expiring contract (at a discount), a positive adjustment will be made to the Balance of an investor holding a long (buy) position and a negative adjustment will be made to the Balance of an investor holding a short (sell) position.

Example 6

David holds a long (buy) position of 100 contracts of oil. The existing contract rate is $45.30/$45.25. The new contract rate is $46.50/$46.45. The total adjustment to be made to David's Balance is equivalent to the 'Buy Total Adjustment', where:

Buy Rate Difference = [New contract sell rate] – [Existing contract sell rate] = $46.45 – $45.25 = $1.20

Buy Value Adjustment = - ([Number of Contracts] x [Buy Rate Difference]) = 100 x $1.20 = $120

Spread Adjustment = [Number of Contracts] x [New Contract Spread] = 100 x ($46.50 - $46.45) = $5

Buy Total Adjustment = [Buy Value Adjustment] – [Spread Adjustment] = - $120 - $5 = - $125

Example 7

David holds a short (sell) position of 100 contracts of oil. The existing contract rate is $45.30/$45.25. The new contract rate is $46.50/$46.45. The total adjustment to be made to David's Balance is equivalent to the 'Sell Total Adjustment', where:

Sell Rate Difference = [New contract buy rate] – [Existing contract buy rate] = $46.50 – $45.30 = $1.20

Sell Value Adjustment = - ([Number of Contracts] x [Sell Rate Difference]) = 100 x $1.20 = $120

Spread Adjustment = [Number of Contracts] x [New Contract Spread] = 100 x ($46.50 - $46.45) = $5

Sell Total Adjustment = [Sell Value Adjustment] – [Spread Adjustment] = $120 - $5 = $115

2.5.3 Our right to force close

Under the Client Agreement, we have the right to close your open positions at the current price on the Plus500 Platform, without prior notice to you, in a range of circumstances, including where:

- your Equity falls below the Maintenance Margin Amount; or
- your Balance falls below the Maintenance Margin Amount; or
- any credit card payment made by you to us is reversed for any reason; or
- you fail to comply with any request by us to pay any Maintenance Margin within the timeframe specified by us; or

- we determine, in our sole discretion, that trading in a particular CFD has become excessively illiquid or volatile; or

- any event occurs that is beyond our control and which, in our reasonable opinion, prevents us from performing our obligations to you or otherwise prevents us from maintaining an orderly market in one or more CFDs in respect of which we deal on the Plus500 Platform. For the avoidance of doubt, such an event may include an excessive or rapid movement in the price, value or level of any underlying Eligible Reference Instrument, or the suspension of trading of any Eligible Reference Instrument, Force Majeure or our anticipation (acting reasonably) of the occurrence of any such event.

2.6 EXAMPLES

The Plus500 Platform allows you to trade in CFDs over a variety of Eligible Reference Instruments, including stocks, shares, base and precious metals, exchange rates and indices. A list of the Eligible Reference Instruments over which we offer CFDs is available on the Plus500 Platform. We reserve the right to add or remove an Eligible Reference Instrument from this list at any time. This Section of the PDS provides an overview of how CFDs over different Eligible Reference Instruments operate.

The examples provided in this PDS are solely intended to illustrate how our products operate and they are not intended to give any representation about the performance of particular shares or other underlying products. Each scenario provides an example of one situation only and it does not reflect the specific circumstances or the obligations that may arise under a derivative entered into by a client of Plus500AU. The companies used in the example are entirely fictional and all prices are illustrative only.

2.6.1 Share or ETF CFDs

'Buying' a CFD over a share or unit in an exchange-traded fund ('**ETF**') replicates the economic effect of buying a share or ETF, in that you receive the benefit of all rises in the share or ETF price (and bear the cost of all falls in the share or ETF price). If a cash dividend is paid on the underlying share or ETF (if applicable), a positive adjustment is made to your Balance as a notional representation of that dividend. A negative adjustment is made to your Balance as a notional representation of the cost of funding an equivalent position.

The following example shows how you can use a CFD to achieve the same economic effect as directly purchasing a share or ETF.

Example 8

COMPANYX Limited shares are quoted at $5.33/$5.35 in the market. The price quoted on the Plus500 Platform for a CFD over COMPANYX Limited shares is $5.32/$5.36. Janet decides that the COMPANYX Limited share price is going to rise, so she offers to 'buy' a CFD over 10,000 COMPANYX Limited shares at $5.36, the offer price.

While Janet's COMPANYX Limited position remains open, her Balance will be debited to reflect any Overnight Funding and credited to reflect any dividends.

Some weeks later, the COMPANYX Limited share price has risen to $6.20/$6.24 and Janet decides to realise her profit. To close the CFD, Janet offers to 'sell' a CFD over 10,000 COMPANYX Limited shares at $6.20, the bid price.

Janet's gross profit on the trade is calculated as follows:

Closing level: $6.20
Opening level: $5.36
Difference: $0.84
Gross profit on trade: $0.84 x 10,000 = $8,400

To calculate Janet's overall, or net, profit on the CFD, you also have to take account of the Overnight Funding and dividend adjustments that have been credited or debited to her Balance.

In the above example, Janet might have held the position for 21 days, at a total Overnight Funding cost of, say, $378. During this time, if COMPANYX Limited declared a cash dividend of, for example, 15 cents per share Janet would receive a positive dividend adjustment of $1,500 (10,000 x $0.15).

Gross profit on trade: $8,400
Overnight Funding: ($378)
Dividend adjustment: $1,500
Net profit on trade: $9,522

'Selling' a CFD over a share or ETF replicates the economic effect of selling a share or ETF short, in that you benefit from all falls in the underlying share or ETF price (and, conversely, bear the cost of all rises in the underlying share or ETF price). A negative adjustment will be made to your Balance representing a notional dividend if any cash dividends are paid on the underlying share or ETF (if applicable) and a positive adjustment will be made to your Balance representing the Overnight Funding (being the interest that you could have earned if the proceeds of the underlying share or ETF sale were placed on deposit). The following example shows how you can use a CFD to achieve the same economic effect as selling a share short.

Example 9

Tom thinks the share price of Company Y is about to fall. The price quoted on the Plus500 Platform for CFDs over Company Y shares is $9.56/$9.61. Tom offers to sell a CFD over 5,000 Company Y shares at $9.56, which is the bid price at the time.

A month has passed; Tom's position is still open at the time of the Company Y ex-dividend date. The amount of the declared cash dividend is $0.23 per share and this is debited from Tom's Balance. The adjustment is calculated as follows: 5,000 shares x $0.23 = $1,150

The price quoted on the Plus500 Platform for CFDs over Company Y shares has now risen to $11.56/$11.61, so Tom decides to cut his losses and close the position by making an offer to 'buy' a CFD over 5,000 Company Y Shares at $11.61, the offer price.

Tom's gross loss on the trade is calculated as follows:

Closing level: $11.61
Opening level: $9.56
Difference: $2.05
Gross loss on trade: $2.05 x 5,000 = $10,250

To calculate Tom's overall, or total, loss on the CFD, you also have to take account of the Overnight Funding and dividend adjustments that have been credited or debited to his Balance.

In this example, Tom might have held the position for 30 days (weekend days count), earning an Overnight Funding of, say, 30 x $7.96 = $238.8. Tom has been debited a dividend adjustment of $1,150. The overall or total result of the trade is a loss, calculated as follows:

Gross loss on trade: ($10,250)
Overnight Funding: $238.80
Dividend adjustment: ($1,150)
Overall or total loss: ($11,161.20)

2.6.2 Stock Index CFDs

Plus500's Stock Index CFDs are based on the nearest month index futures. Stock Index CFDs allow you to gain exposure to the movements in price of a large number of different shares in a single transaction. They can be used to take positions on the direction of the market as a whole, without taking a view on the prospects of any particular company or its share price. A short position can be used as a rough hedge to protect a diversified share portfolio against market falls. A Stock Index CFD works in the same way as a CFD on an individual share in that they allow you to make a profit or loss by reference to fluctuations in the level of the underlying index, such as the S&P500 Index. There is no dividend adjustment associated with Stock Index CFDs, as future contracts trade at prices which reflect the dividends companies are due to pay. However, an Overnight Funding may be payable. Stock Index CFDs are opened in the same way as individual share CFDs. You will be required to pay margin.

When trading Stock Index CFDs based on index futures, it is important to remember that the current price of the CFD will not normally be the same as the price of the underlying index. In particular, in a volatile market, futures contracts can trade at very substantial premiums or discounts to their underlying index.

There are, broadly speaking, two reasons for this:

- Future contracts usually trade at prices which reflect the interest advantage – being the interest that you would have earned on an equivalent cash position over the term of the futures contract; and the disadvantage of foregone dividends, which is obtained by taking a long position in a forward contract rather than buying actual shares for cash.

- Interest rates are generally higher than dividend yields, so the future will usually have a natural premium, called a fair value premium, to the underlying index. Future prices can respond to news or a change of sentiment more quickly than indices, which are not fully up to date until every individual share which they contain has traded.

Example 10

Jack thinks that the broader equity market in Australia is oversold and is anticipating a recovery in the S&P/ASX200 stock index futures price. Rather than trying to buy a number of single stock CFDs he decides that he wants to buy CFDs on the index. The price being quoted on the Plus500 Platform for CFDs over S&P/ASX200 stock index futures contracts is currently 4972/4975. Jacks decides to buy 10 units and opens a buy order in respect of a CFD over 100 S&P/ASX200 stock index futures contracts at 4975 (each unit = 10 contracts).

The Initial Margin % for S&P/ASX200 stock index futures is 0.34%, so the Initial Margin required to open Jack's position is = 0.34% x 100 x 4975 = A$ 1,691.50.

Over the next 2 days, the S&P/ASX200 stock index futures price rises to 5022/5025. Jack enters an order to close his position and sells his position at 5022.

Jack's gross profit on the trade is calculated as follows:

Opening level: 4975
Closing level: 5022
Difference: 47
Gross Profit on Trade = 47 x 10 = $470

To calculate Jack's overall, or net, profit you also have to take into account the Overnight Funding. In this example, assume the Overnight Funding is -0.075% or -$37.31 ($49,750 x 0.075%) per day. (Jack kept his position open for two days, so the total Overnight Funding payable = $37.31 x 2 = $74.62).

Gross Profit: $470
Overnight Funding = ($74.62)
Net Profit = $395.38

2.6.3 CFDs on options

Options CFDs are CFDs over traded options contracts. Options contracts are contracts pursuant to which a seller gives a buyer the right, but not the obligation, to buy (in the case of a '**Call Option**') or sell (in the case of a '**Put Option**') a specified quantity of assets at a pre-determined price (the '**Strike Price**'), within a set time period. Traded options contracts have a price that is quoted on an exchange (the '**Option Price**'). A CFD over an option allows you to make a gain or a loss depending on the movements in the applicable Option Price.

Options CFDs work in the same manner but they will always be cash settled (i.e. you will not actually buy or sell the underlying product at expiry).

When you 'buy' a CFD over a Put Option or a Call Option, your downside risk stops when the Option Price reaches zero. In other words, you can't lose more than an amount equivalent to the Option Price, so your maximum liability is known from the outset. Unlike when 'buying' Option CFDs, you can lose substantially more than an amount equivalent to the Option Price when 'selling' Option CFDs. 'Selling' a CFD over a Put Option or a Call Option gives you the ability to increase potential profits in stagnant markets, by taking advantage of time value that is priced into Option CFDs. Note: when you buy or sell a CFD over an option, you are not dealing in the option itself. You cannot exercise it and you have no rights in the underlying asset to which it relates.

Example 11

The instrument "Germany 30" is currently trading at a buy rate of 9746.56. A Call Option over Germany 30 with a Strike Price of 9850 (the '**Germany 30 Call Option**') is currently trading at $500/$512. David believes that the buy rate of the instrument "Germany 30" at the expiry of the Germany 30 Call Option will be higher than 9850, so he offers to 'buy' a CFD over one Germany 30 Call Option at $512.

Later that day, the Option Price for the Germany 30 Call Option has decreased by $10 to $490/$502 and David decides to close his position by making an offer to 'sell' a CFD over one Germany 30 Call Option at $490.

David's gross loss on the trade is calculated as follows:

Closing level: $490
Opening level: $512
Difference: $22
Gross loss on trade: $22 x 1 = $22

There is no Overnight Funding payable in this example because David's position has not been maintained beyond the Overnight Funding Time (as defined in Section 4 of this PDS).

2.6.4 Commodities CFDs

A Commodity CFD allows you to make a profit or loss by reference to fluctuations in the price of a particular commodity or commodity futures contract. We may specify a minimum number, value or quantity of Eligible Reference Instruments that may be included in one CFD (the '**Unit Amount**'). For example, the minimum quantity of gold that may be included in one CFD traded through the Plus500 Platform is 100 ounces.

Example 12

Kerry believes that the price of gold is undervalued and she decides to enter into a CFD in respect of gold in the expectation that the gold price will rise. The price quoted on the Plus500 Platform for a CFD over gold is $1,621.85/$1,622.35 per ounce. Kerry 'buys' a CFD in respect of 100 ounces of gold at $1,622.35. The next day the price of gold has increased by $10 to $1,631.85 /$1,632.35. The trade has moved in Kerry's favour and she decides to close her position by making an offer to 'sell' a CFD in respect of 100 ounces of gold at $1,631.85.

Kerry's gross profit on the trade is calculated as follows:

Closing level: $1,631.85
Opening level: $1,622.35
Difference: $9.50
Gross profit on trade: $9.50 x 100 = $950

To calculate Kerry's overall, or net, profit, you also have to take into account the Overnight Funding. In this example, assume the Overnight Funding is 0.018%, or $29.19 ($163,185 x 0.018%), per day.

Gross profit on trade: $950
Overnight Funding: ($29.19)
Net profit on trade: $920.81

2.6.5 **Forex CFDs**

Forex CFDs allow you to gain exposure to movements in exchange rates. Forex CFDs are opened in the same way as other CFDs. We will quote a bid and offer price for a CFD over a currency pair. For example, we might quote the Euro against the USD as 1.3543/1.3545. If you thought the Euro was going to rise against the USD, you would 'buy' the CFD at 1.3545. If you thought the Euro was going to fall against the USD, you would 'sell' the CFD at 1.3543. You can close your position by entering into an opposite trade. If the CFD is a buy, the closing level will be the lower figure quoted by us. If the CFD is a sell, it will be the higher figure. An Overnight Funding amount may be payable if your position is held after market hours. Details of currency trading sizes and margin requirements are set out in the instrument details tab for each Eligible Reference Instrument on the Plus500 Platform.

Example 13

Robert decides to 'go long' in respect of the US dollar against the Swiss franc (CHF) (i.e., to 'buy' a CFD over a USD/CHF foreign exchange contract), and asks for a quote for a CFD over 5 units (contracts), the equivalent of USD 25,000 (unit sizes are set out in the instrument details tab for the applicable Eligible Reference Instrument on the Plus500 Platform). We quote him 0.9172/0.9177 and he buys a CFD over 5 contracts at 0.9177.

While the position remains open, the Overnight Funding is debited or credited to or from Robert's Balance. In this example, the Overnight Funding is -0.02% or USD5 or CHF4.58 per day, and is payable by Robert. 23 days later, the USD/CHF exchange rate has risen to 0.9333/0.9338, and Robert decides to realise his profit by selling a CFD over 5 contracts at 0.9333.

Robert's gross profit on the trade is calculated as follows:

Closing level:	USD25,000 x 0.9333 = CHF 23,332.50
Opening level:	USD25,000 x 0.9177 = CHF 22,942.50

Difference: CHF390
Gross profit on trade: CHF390

To calculate the overall, or net, profit, you also have to take account of the Overnight Funding. In this example, Robert held the position for 23 days, owing a total Overnight Funding of USD5 x 23 = USD115 = CHF 107.32:

Gross profit on trade: CHF 390
Overnight Funding: (CHF 107.32)
Net profit: CHF 282.68 = USD 302.88 equivalent

3. RISKS OF THESE DERIVATIVES

3.1 PRODUCT RISKS

There are a number of risks associated with trading in CFDs. These risks may lead to unfavourable financial outcomes for you. Monitoring of any risks associated with the CFDs you enter into with us is your responsibility. You should seek independent legal, financial and taxation advice prior to commencing trading activities and should not use our services unless you fully understand the products, and the benefits and risks associated with them. Some of the risks associated with using our CFD trading facilities include:

3.1.1 Unforeseen circumstances

If we are unable to perform our obligations to you due to reasons beyond our control, then we may suspend our obligations to you. For example, during periods of significant market disturbance, it may be impractical or impossible to trade in relevant financial markets. We will inform you if any of these events occur.

3.1.2 Risks associated with OTC Derivatives

When you enter into any trade with us through the Plus500 Platform, you will be entering into an off-exchange (sometimes known as an over-the counter or 'OTC') derivative, which is non-transferable. This means that you will enter into CFDs directly with Plus500AU, and also that those CFD (positions) can only be closed with Plus500AU.

3.1.3 Gapping risk

Markets are subject to many influences which may result in rapid fluctuations. Because of this market volatility, no CFD transaction can be considered "risk free". Given the potential levels of volatility in markets, it is recommended that you closely monitor your transactions at all times. You can manage some of the downside risk by the use of loss limit orders (see Section 2.4 of this PDS). If you use a loss limit order, we will enter into a position opposite to your existing position if the price being quoted on the Plus500 Platform for a CFD over a particular Eligible Reference Instrument reaches a level specified by you in advance. However, in a volatile market, there may be a substantial time lag between order placement and execution. This can mean that the bid or offer price may be significantly lower or higher than the price at which the sell (or buy) order (including a loss limit order) was placed. This is known as "gapping". Unless you have placed a

Guaranteed Stop Order (as defined in Section 2.4.4 of this PDS), we do not guarantee that a loss limit order will be successful in limiting your downside risk, which may be greater than you initially anticipated. The risk of "gapping" can be avoided with the use of a Guaranteed Stop Order. For a full explanation, please see Section 2.4.4 of this PDS, under the heading "Guaranteed Stop Orders".

3.1.4 Leverage risk

Trading in CFDs involves a high degree of leverage. You can outlay a relatively small amount of Initial Margin which secures a significantly larger exposure to an underlying Eligible Reference Instrument. The use of products like this magnifies the size of your trade, so your potential gain and your potential loss is equally magnified. You should closely monitor all of your open positions. If the market moves against you and your Initial Margin deposit is diminished, we may automatically close out your position - see Section 2.5.3 of this PDS, under the heading "Our right to force close".

3.1.5 Potential loss caused by Spread

It is possible that you enter into a trade with us and the underlying currency rate, asset price or index level moves in your intended direction, but you still end up with less than your original investment after closing your position. This can happen because of the combined effect of the Spread (as defined in Section 4 below) and any negative Overnight Funding that applies over the days that a contract is held open.

3.1.6 We act as market maker

Although the prices generated by the Plus500 Platform will take into account current exchange and market data from various sources, they are not taken directly from any one source. This means that the price that we quote for a CFD over an Eligible Reference Instrument may be different to any current exchange or market price, or a competitor's price, for that Eligible Reference Instrument.

3.1.7 Suspension or trading halt of the underlying Eligible Reference Instruments

Trading on the Plus500 Platform may be affected by the suspension or closure of any exchange on which Eligible Reference Instruments are traded, or by the imposition of limits or special or unusual terms on the trading on any such market. In such circumstances, we may force immediate closure of your positions (see Section 2.5.3 of this PDS, under the heading "Our right to force close") and/or demand additional payment from you as margin (see Section 2.3.1 of this PDS, under the heading "Maintaining your Position").

3.1.8 Your trades can be closed automatically

The value of your Equity must exceed the Margin Maintenance Amount at all times or your positions may be closed out without further notice to you (see Section 2.3.1 of this PDS, under the heading "Maintaining your Position"). You are solely responsible for monitoring your Trading Account and Balance at all times. Closely monitoring your positions is very important as you may be required to make immediate payments.

3.2 ISSUER RISKS

3.2.1 Counterparty risk

Given you are dealing with us as a counterparty to every transaction, you will have an exposure to us in relation to each transaction. In all cases, you are reliant on our ability to meet our obligations to you under the terms of each transaction. This risk is sometimes described as counterparty risk.

3.2.2 Credit risk

The products covered by this PDS are not traded through a licensed exchange, and there is no central counterparty. This means that you contract directly with us, and you are subject to our credit risk. If we become insolvent, we may be unable to meet our obligations to you. Our obligations to you are unsecured obligations, meaning that you are an unsecured creditor of ours.

Plus500AU's creditworthiness has not been assessed by an approved rating agency. This means that Plus500AU has not received an independent opinion of its capability and willingness to repay its debts from an approved source. You can assess our capacity to meet our financial obligations to you by reviewing financial information about our company. You can obtain a free copy of our financial statements by contacting us through our website.

3.2.3 Hedging risk

We may choose to limit our exposure to our clients by entering into opposite transactions with hedging counterparties as principal in the wholesale market. However, there is also a risk that a hedging counterparty that we deal with may become insolvent. Where this occurs, we may not have recourse to its underlying assets and will become an unsecured creditor of the hedging counterparty. This may affect our ability to perform our obligations to you.

3.3 RISKS WHEN ENTERING OR SETTLING DERIVATIVES

3.3.1 System risks

We rely on technology to provide our trading facilities to you. A disruption to the facility may mean you are unable to trade when you want to. Alternatively, an existing transaction may be aborted as a result of a technology failure. An example of disruption includes a "crash" of the computer systems used to operate the online facility. We manage this risk by having state-of-the-art IT systems and backup measures.

3.3.2 Use of and Access to our Website

You are responsible for providing and maintaining the means by which you access our website. These may include, without limitation, a personal computer and modem or other online access system available to you.

While the internet is generally reliable, technical problems or other conditions may delay or prevent you from accessing our website. If you are unable to access the internet and thus, our online facility, it may mean you are unable to enter into transactions when desired and you may suffer a loss as a result.

4. Fees

There are a number of fees and charges that you may be required to pay us, in order to use our services:

Type	Description
Spread	We make money principally by charging you a spread, which is the difference between the bid price and offer price multiplied by the contract size ('**Spread**'). The "bid price" is the price at which we are willing to buy the CFD from you and the "offer price" is the price at which we are willing to sell the CFD to you. The amount of this Spread will depend on factors such as the size and value of the transaction and prevailing market rates. This Spread is a cost to you that is incorporated into the prices quoted on the Plus500 Platform and is not separately payable by you over and above those quoted rates. We earn a Spread whenever you trade with us. **Example 14** In Example 10 above, the price quoted to Robert for a CFD over the USD/CHF currency pair was 0.9172/0.9177. To buy (offer), Robert would pay 0.9177 multiplied by the contract size (USD25,000). To sell (bid), Robert would receive 0.9172 multiplied by the contract size (USD25,000). The difference between the two prices is USD12.50, which is the Spread (0.0005 x USD25,000 = USD12.50).
Commission	Plus500AU does not charge dealing commissions.
Overnight Funding	In respect of each transaction that remains open at the end of each Trading Day as shown for each instrument on the platform/website, the overnight funding will be calculated and either added to or subtracted from the balance of your Trading Account. Overnight funding can be positive or negative. The Overnight Funding you earn or pay depends on the type and size of Eligible Reference Instruments that underlie the applicable CFD, and how long you keep the position open. The Overnight Funding will only apply if the position is kept open beyond a specified time (the '**Overnight Funding Time**'). The Overnight Funding is calculated daily by applying the applicable interest rate ('**Overnight Funding Rate'**) at the time of opening of the position to the opening value of the position. If the Overnight Funding Rate is negative, you will be liable to pay the Overnight Funding. If the Overnight Funding Rate is positive, you will be entitled to be paid the Overnight Funding.

Type	Description
	Example 15 For example, the applicable Overnight Funding Rate might be -9.00% for a whole year or -0.025% per day (we use a 360 day-count convention) and the opening value of a position could be $72,000. $72,000 x -0.025% = -$18. Accordingly, you would be required to pay an Overnight Funding of $18 per day, for every day that you keep your position open. To view the applicable Overnight Funding Rate and Overnight Funding Time for a specific Eligible Reference Instrument, go to the main lobby screen on the Plus500 Platform, select the Eligible Reference Instrument required and click on the 'Details' tab on the far right of the row. We may adjust Overnight Funding Rates at any time based on market conditions, but this will affect only new positions opened after the adjustment. Your Balance will be automatically credited or debited with Overnight Funding at the daily Overnight Funding Time. *Weekends and holidays* If a position is opened on a Friday and held until the following Monday (being the next trading day), the amount added to or subtracted from your Balance is three times the daily Overnight Funding (to cover the entire weekend period). If a position is opened during a holiday period, the Overnight Funding will be added to or subtracted from your Balance during that period until you close the position.
Guaranteed Stop Premium	In certain circumstances, you are permitted to place a "Guaranteed Stop Order" with us, which guarantees that a position will be closed-out at exactly the price specified in the Guaranteed Stop Order (see Section 2.4.4 of this PDS for further detail). You are required to pay a premium in consideration for us executing the Guaranteed Stop Order (the '**Guaranteed Stop Premium**'). The Guaranteed Stop Premium will be deducted from your Account when the Guaranteed Stop Order is placed, and is non-refundable once the Guaranteed Stop Order is executed. The Guaranteed Stop Premium is calculated by multiplying the Guaranteed Stop % by the applicable Spread and rounding up to the nearest 2 decimal places. To view the Guaranteed Stop %

Type	Description
	applicable to a specific Eligible Reference Instrument, go to the main lobby screen on the Plus500 Platform, select the Eligible Reference Instrument required and click on the 'Details' tab on the far right of the row. **Example 16** The price being quoted on the Plus500 Platform for a CFD over Google shares is $500/$502. This means that the Spread is $2 ($502 - $500 = $2). The Guaranteed Stop % in respect of Google shares is 50%. James buys a CFD over 10 Google shares and decides to place a Guaranteed Stop Order in respect of that position. The Guaranteed Stop Premium payable by James will be $10 ($2 x 50% x 10 = $10).
Interest on derivatives investor money	We place derivatives investor money (as defined in Section 5 below) into our designated client money account (as defined in Section 5 below). We are entitled to keep any interest (which is calculated daily) on positive balances in the designated client money account and do not pay that interest on to clients.
Credit card payment fees	We will not charge you a fee for accepting a credit card payment from you.
Withdrawal Fee	All account withdrawal requests are subject to a minimum withdrawal amount, which is the lesser of USD 50 (or its equivalent in the Base Currency) or your Available Balance. Processing a withdrawal request of less than the minimum withdrawal amount will incur a fee of USD 10 (or its equivalent in the Base Currency). Where you wish to close your Trading Account and have funds remaining, please note that funds returned via credit card (where your credit card is capable of processing refunds) do not incur an additional fee (or the fee is minimal and will be absorbed by Plus500AU in these instances). However, where funds are returned via other methods (e.g. Wire, PayPal, etc.) a fee of USD 10 (or its equivalent in the Base Currency) will be deducted from your Balance.
Inactivity Fee	If there are no transactions on your Trading Account for a period of at least three months, a fee will be payable by you in return for our provision of administrative and information services and the continued availability of your Trading Account ('**Inactivity Fee**'). You can pay our Inactivity Fee as agreed with you from time to time or we may deduct such fee from any funds held by us on your behalf. The Inactivity Fee will be equal to the lesser of the remaining Balance in your account or USD 10, levied quarterly and

Type	Description
	in the Base Currency. Upon assessment of the Inactivity Fee, your Trading Account may also be closed by us without further notice to you.

5. How Plus500AU treats Funds and Property received from You

We will ensure that any money paid to us by you to satisfy any margin requirement (‘**derivatives investor money**’) is:

- held on trust;
- paid promptly into a designated client money trust account held with an eligible deposit-taking institution (‘**designated client money account**’); and
- held separately from any money held for our own account.

By using our services, you relinquish the right to any interest on funds deposited in our designated client money accounts (also known as trust accounts). All derivatives investor money held by us is pooled in one designated client money account, which means that your money will not be held separately from money belonging to other clients of Plus500AU.

All derivatives investor money is held on trust for you until you withdraw the money, use the money to place a trade, or otherwise provide us with a legal right to that money because of outstanding fees owed to us or in such other circumstances as referred to in the Client Agreement.

We do not use derivatives investor money for the purpose of authorised hedging activity. Any obligations incurred by us in connection with such transactions are funded by us from our own money.

6. About Plus500AU

Plus500AU is the product issuer. This means that we issue the CFDs described in this document, and do not act on behalf of anyone else.

Plus500AU is also the service provider. The information on our website or other promotional material or provided by our customer support via email/chat is generic only and must not be treated as advice that is suitable for you and it does not take into account your, or any other person’s, particular financial situation or goals (or any one or more of them).

You can contact us by e-mail via the “Contact Us” page on our website, by telephone on 0800 758-750 or by sending a letter to Plus500AU Pty Ltd, P.O. Box H339, Australia Square, Sydney NSW 1215, Australia.

7. How to Complain

You can bring a complaint directly to us. Our contact details are set out in Section 6 of this PDS. If Customer Support cannot resolve the dispute to your satisfaction, the matter will be referred to our Compliance department.

If we are unable to resolve the matter within 40 working days, you may refer the matter to the Financial Services Complaints Limited (‘**FSCL**’). FSCL is an approved dispute resolution scheme and it will not charge a fee to any complainant to investigate or resolve a complaint. FSCL can be contacted at PO Box 5967, Wellington 6145; toll free on 0800 347 257; or by email: info@fscl.org.nz or at www.fscl.org.nz

If you would like more information on how complaints are handled, please contact our Customer Support team.

8. Where You Can Find More Information

Further information about the CFDs offered by Plus500AU, the Plus500 Platform and the terms and conditions applicable to our service can be found on www.plus500.co.nz. This information is made available to you online and free of charge.

Further information regarding this offer of derivatives (including copies of the most recent audited financial statements of Plus500AU) can be found at www.business.govt.nz/disclose (the ‘**offer register**’). You may request a copy of any of the information contained on the offer register from the New Zealand Registrar of Financial Service Providers.

We may amend this PDS at any time by written notice to you. Any amendments to this PDS can be found on our website: www.plus500.co.nz.

9. How to Enter into a Client Agreement

You can enter into a Client Agreement with us by filling out the registration form on our website – see section 2.3.1 of this PDS, under the heading ‘Opening a Trading Account’.

Before applying to open a Trading Account with us, we recommend that you read this PDS and the Client Agreement carefully, and obtain independent financial, taxation and other professional advice.