Product Disclosure Statement
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1. Key information

About us:

PLUS500AU Pty Ltd (PLUS500AU, us, we, our) ACN 153 301 681 is the issuer of the products described in this Product Disclosure Statement (PDS). Should you have any queries about this document, please do not hesitate to contact us. Our contact details are at the start of this PDS.

Contents:

This PDS explains everything you need to know about the products we can offer you. It is designed to:

- provide you with the information you need to determine whether the products we offer are appropriate for you needs;
- explain the terms and conditions, rights and obligations associated with our products; and
- help you to compare products.

Limitations:

This PDS does not take into account your financial situation, personal objectives or needs. Before using the products referred to in this PDS, you should read it carefully, and then consider your objectives, financial situation and needs and take all reasonable steps to fully understand the possible outcomes of trades and strategies that can be employed using our Trading Platform. We recommend that you seek independent financial advice to ensure that a particular product is suited to your financial situation and requirements.

User Agreement:

Before you open a trading account with us, you will need to enter into a contract with us titled “User Agreement”. It contains terms and conditions that govern our relationship with you. You can obtain a free copy of the document by contacting us or by visiting our Website.

Retail clients:

This PDS is only required to be provided to Retail Clients. If you are a Wholesale Client, then providing you with this PDS does not mean that we wish to treat you as a Retail Client.

Changes to this PDS:

Any information that is not materially adverse information is subject to change from time to time and may be updated by inclusion on our website (www.Plus500.com.au). A paper copy of any updated information will be given, or an electronic copy made available, to you without charge upon request.

Where this PDS includes a reference to content on our website, the relevant contents of the Website referred to forms part of this PDS. If you cannot find that information on our Website, you can contact us or ask via the chat function on the Website. You can also ask for a copy of the statement or information without charge.
Warning:

Trading in margin contracts (including CFDs) involves the potential for profit as well as the risk of loss of your initial deposit and is not suitable for all traders. Movements in the price of the margin contract’s Reference Instrument (e.g. shares, indices, ETFs, foreign exchange rates, commodity or cryptocurrency prices) are influenced by a variety of unpredictable factors of global origin. Violent movements in the price of the Reference Instrument may occur in the market as a result of which you may be unable to settle adverse trades at the expected price. Plus500AU is unable to guarantee a maximum loss that you might suffer from your trading. Investors in CFDs do not own or have any rights to Reference Instruments.

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**Regulatory Benchmark Disclosure**

*ASIC has developed seven disclosure benchmarks for OTC CFDs that can help retail investors understand the risks associated with CFDs, assess their potential benefits and decide whether CFDs are suitable for them. More information about the disclosure benchmarks can be found in [ASIC Regulatory Guide 227](#).*

This table sets out which benchmarks Plus500AU meets and refers to related disclosure information that describes how we meet the benchmarks. If we depart from a benchmark, we must explain why.

<table>
<thead>
<tr>
<th>DISCLOSURE BENCHMARK</th>
<th>MEETS BENCHMARK?</th>
<th>RELATED INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Qualification</td>
<td>Yes</td>
<td>Trading in CFDs is not suitable for everyone because of the significant risks involved. As such, Plus500AU assesses client qualifications and experience when potential clients apply to open an account. Further information can be found in ASIC Benchmark- Client Qualification in this PDS.</td>
</tr>
<tr>
<td>Opening Collateral</td>
<td>No</td>
<td>It is suggested that a limit of $1,000 be accepted for opening payments made by credit card. Plus500AU does not meet this benchmark to the extent that it accepts credit card payments of</td>
</tr>
<tr>
<td>DISCLOSURE BENCHMARK</td>
<td>MEETS BENCHMARK?</td>
<td>RELATED INFORMATION</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>-----------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>greater than 1,000 AUD as opening collateral.</td>
<td></td>
<td>Further information can be found in ASIC Benchmark - Opening Collateral in this PDS.</td>
</tr>
<tr>
<td>Counterparty Risk - Hedging</td>
<td>Yes</td>
<td>Plus500AU maintains and applies a written Counterparty Credit &amp; Hedging Policy. This PDS includes information about the significant risks associated with CFDs and the counterparty risks under ASIC Benchmark-COUNTERPARTY RISK</td>
</tr>
<tr>
<td>Addresses the issuers practices in hedging its risk from client positions and the quality of this hedging</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counterparty Risk - Financial Resources</td>
<td>Yes</td>
<td>Plus500AU maintains and applies policies to ensure it meets all financial regulatory obligations including the requirements of an Australian Financial Services Licensee. Further information can be found in ASIC Benchmark Counterparty Risk - Financial Resources</td>
</tr>
<tr>
<td>Addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Client Money</td>
<td>Yes</td>
<td>Plus500AU has a detailed Client Money policy and does not use client money for hedging with counterparties. Further information can be found in ASIC Benchmark- Client Money in this PDS.</td>
</tr>
<tr>
<td>Addresses the issuers policy on client money</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suspended or Halted Underlying Assets</td>
<td>Yes</td>
<td>In the event of a Reference Instrument being suspended or expired, Plus500AU has the discretion to close out positions on the last price. Also, we do not allow new positions to be opened when there is a trading halt over the Reference Instrument, or where trading in the Reference Instrument has otherwise been suspended in accordance with the rules of the relevant market.</td>
</tr>
<tr>
<td>Addresses the issuers practices in relation to investor trading when trading in the underlying asset is suspended or halted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margin Calls</td>
<td>Yes</td>
<td>Plus500AU maintains and applies a written policy in relation to margin call practices and our discretions relating to close outs. Further information can be found in subsection ASIC Benchmark Margin Calls in this PDS</td>
</tr>
<tr>
<td>Addresses the issuers practices in the event of client accounts entering into margin call</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Throughout this PDS, we will refer to ASIC benchmarks, like this:

ASIC Benchmark...

ASIC is the government regulator that issued our licence and that monitors financial markets in Australia. It has set minimum benchmark standards that it expects businesses like us to comply with. We have set out our compliance throughout this PDS.

**What are we authorised to do?**

We are authorised to give you general financial product advice in relation to derivatives and foreign exchange contracts. We are also authorised to deal in relation to those same products.

This means we will provide you with advice which is general in nature. Whenever we give general advice (e.g. through our Website, or in this PDS), we do not take into account your financial situation, personal objectives or needs. Before using the products referred to in this PDS you should read it carefully, and then consider your objectives, financial situation and needs and take all reasonable steps to fully understand the possible outcomes of trades and strategies that can be employed using our Trading Platform. We recommend you seek independent financial advice to ensure that a particular product is suited to your financial situation and requirements.

We are also authorised to “make a market” for foreign exchange and derivatives contracts. This means that we set our own prices for the products we offer, including buy and sell prices. More detailed explanations about how we set our prices are set out under the heading “The Costs in Using our products” below.

We do not provide a market amongst or between clients for investments or speculations. Each product purchased (or sold) by you is an individual agreement made between you and Plus500AU as principal and is not transferable, negotiable or assignable by you to or with any third party.

We offer CFD trading services via our Trading Platform.

This PDS describes products that are:

- derivatives because they derive their value from a Reference Instrument
- over the counter (OTC) because they are an agreement between you and us, and there is no central counterparty (like an exchange)
- legally binding contracts. Our User Agreement refers to a Contract when referring to our products
- are “synthetic” in that they do not result in the physical delivery of the Reference Instrument but are cash adjusted or closed by you taking an offsetting opposite position. Positions will always be closed and your account will be either credited or debited according to the profit or loss of the trade.
There are six broad types of products that you can trade with us:

- Share and ETF CFDs,
- Index CFDs,
- Option CFDs,
- Commodity CFDs (i.e. Gold, Silver and Oil)
- Margin Foreign Exchange (FX); and
- Cryptocurrency CFDs

Those seven types of products are explained in more detail below. The specific Reference Instruments able to be traded under these categories will be listed on the Trading Platform.

2. Contract for Difference (CFDs)

CFDs are derivatives, which are contracts between you and Plus500AU that may require you or Plus500AU to make a payment. The value of the contract will depend on the price, value or level (as the case may be) of the Reference Instrument at both the time at which the position is opened and the time at which the position is closed. The contract specifies the terms on which those payments must be made.

The contract derives its value from Reference Instruments - which are never delivered to you, and you do not have a legal right to, or ownership of them. Rather, your rights are attached to the contract itself. The money you will receive will depend on whether the Reference Instrument to which the CFD you choose relates moves in your favour. If it does, then you will make a gain and your account will be credited. If it does not, then you will make a loss and your account will be debited. The contracts only require a deposit which is much smaller than the contract size (this is why the contract is “margined” or “leveraged”).

When trading CFDs, you and PLUS500AU agree to exchange the difference in value of the contract between when the contract is opened and when it is closed. You will either be entitled to be paid an amount of money (if the value of the contract has moved in your favour) or will be required to pay an amount of money (if the value of the contract has moved in our favour).

You can keep a position open for as long as you are able to meet your margin requirements. CFD transactions are closed by you taking an offsetting, opposite position.

We may, upon your request, agree to implement a ‘Stop Loss Order’, ‘Limit Order’ or ‘Trailing Stop Order’ in respect of a trade. Compliance with any such order is subject to prevailing market conditions unless we have agreed to a ‘Guaranteed Stop Order’ (which is only available for a limited range of Reference Instruments). For a full explanation please refer to the “Managing Risks by using Stops and Limits” section below.

Please note that the ASX rules and the National Guarantee Fund do not apply to trading CFD contracts.
3. How does the online Trading Platform work?

See the heading “Share and ETF CFDs”, “Options CFDs”, “Commodities CFDs”, “Index CFDs” “Forex CFDs” and “Cryptocurrency CFDs” below for a detailed explanation and example of how our Trading Platform works.

To make a trade using our online Trading Platform:

**Step 1:** **Practice** Trading in Demo mode - you can trade in demo mode by providing your email address and password. Quotes are real time in our demo mode and trading the same products. You will receive $50,000 AUD to use in the demo account only. Your demo account is unlimited in time and free to use. You are not entitled to any of the profits from trading in demo mode. Nor are you liable for any losses when trading in demo mode.

**Step 2:** Set up a real-money trading account with us. You must first register with us by filling out the registration form on our Trading Platform. A precondition to successful registration is an acknowledgement by you that you have read this PDS, the FSG and that you have read and agreed to be bound by the User Agreement. Another pre-condition is that you meet our client qualification criteria, which is explained below in more detail. There may also be other terms and conditions that you will need to agree to, if you are outside of Australia. Once you are registered, you will be able to login online to your user account using your username and password.

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**ASIC Benchmark 1 - Client Qualification**

Trading in CFDs is not suitable for everyone because of the significant risks involved. Because of this, we include minimum qualification questions in our account opening form, which prospective clients like you, must satisfy before opening an account.

Plus500AU maintains a written client qualification policy. This policy:

(a) sets out the minimum qualification criteria that prospective clients will need to satisfy before we will permit them to commence trading with us

(b) outlines the processes Plus500AU has in place to ensure that prospective clients who do not meet the qualification criteria and are therefore assessed by us as “unsuitable” are not accepted as a client and able to trade in our products
(c) requires that Plus500AU maintain records of its client assessments.

In assessing a prospective client’s knowledge of key product concepts, their understanding of processes and technologies and previous trading and investment experience, Plus500AU will use a series of multiple choice questions about CFD trading. These multiple choice questions will ascertain the client’s understanding of concepts such as leverage, volatility, margins and the nature, processes and technologies of trading CFDs e.g. that trading in CFDs does not provide you with rights or interest in the Reference Instrument. Prospective clients are also required to acknowledge that they are prepared to monitor and manage the risks of trading CFDs. We will not use your answers or any other information you provide us to tailor recommendations to you, as we do not provide personal advice.

You should refer to our Privacy Policy on our Website which explains how we collect, use and disclose personal information. If prospective clients do not meet the minimum qualification criteria, they will not be able to open an account. When this occurs, Plus500AU will provide these potential clients with access to a CFD demo account on which they can practice trading CFDs before being able to re-apply for an account.

Step 3: You can deposit a minimum amount of $100 of a Base Currency (Australians must deposit AUD) as stated on the Trading Platform into your newly established PLUS500AU account before you start trading. The deposit will go to your available balance (defined below).

Upon opening a position, you will be immediately required to lodge an Initial Margin with us, which will be a percentage of the opening value of the contract. We will tell you what Initial Margin is required before you trade, and the rates used to calculate the Initial Margin can be viewed on our Trading Platform.

We will deduct the Initial Margin from your available balance. We may vary the Initial Margin at our own discretion but that won’t change the
Initial Margin needed for open positions. Generally, the Initial Margin for a specific CFD may vary according to volatility and market conditions in the Reference Instrument. Again, if we change the Initial Margin, it won’t affect open positions.

The Initial Margin requirement must be placed on your account before a position is opened. After the position is opened your account equity will be bigger than the Maintenance Margin.

Please be aware that margin is not part payment for a Reference Instrument and there is no capacity for a CFD to be converted into the underlying Reference Instrument.

Example1:

Bill buys 10 Share CFDs over ABCD Ltd Shares at $540.
Google’s Initial Margin: 10%, Maintenance Margin 2%
The total amount bought is: $540 x 10 = $5,400
The Initial Margin that is needed for 10 ABCD Ltd Share CFDs is 10%: $540
The Maintenance Margin that is needed to maintain 10 ABCD Ltd Share CFDs is 2%: $108 (This example is based on the assumption your Base Currency is AUD).

Bill will be required to deposit an Initial Margin in AUD which is a percentage of the notional contract amount. Our Trading Platform will tell Bill what amount he needs to lodge before he opens a position.

Bill will carry no conversion cost for placing his Initial Margin in AUD. If however, the contract notional amount is in USD we will convert this to AUD (by the AUD/USD buy price on our Trading Platform).

If you choose to accept our quoted prices, then the transfer will usually take place immediately, upon receipt of your cleared funds. The new currency will be delivered to your PLUS500AU account and you will be able to see your balance by logging on to the Trading Platform.

Example:
We may request you to deposit USD 2,500 for a USD contract with a notional amount of USD 100,000. In this example, USD 2,500 is your Initial Margin.

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1 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 any Reference Instruments. 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 contract entered into by a client with Plus500AU. The companies used in the examples are entirely fictional and all prices are illustrative only.
We accept deposits via wire transfer from your account, into our accounts, or via credit card, debit card and E-Wallets. It is suggested that a limit of $1,000 be accepted for opening payments made by credit card.

Plus500AU does not meet this Benchmark to the extent that it accepts credit card payments in excess of $1000 as opening collateral in order to provide efficient and flexible payment options. However, Plus500AU places internal daily, weekly and monthly limits on the number of payments and amounts that clients can deposit by Credit Card.

You should be aware that by using a credit card as opening collateral, you may be exposed to the risk of “double leverage”. This means that you are borrowing from your credit card provider (and possibly paying interest), which is a type of leverage.

You are also buying one of our products, all of which have inbuilt gearing, so it is a second form of leverage. Opening collateral is referred to in this PDS as Initial Margin.

Step 4: You are now ready to trade. When you log in to the Trading Platform, you will see prices which reflect different Reference Instruments.

Example:
An example of a currency pair is EUR/USD. EUR/USD 1.31591 means that one euro is exchanged for 1.31591 US dollars. The currency on the left of a pair is the Base Currency.

You can buy or sell a Margin FX Contract. If you buy or sell as your first transaction, you are opening your position. When you buy, you buy at the “offer” price, and when you sell, you sell at the “bid” price.

Example:
If the EUR/USD currency pair is quoted at 1.3157/1.3159 then this is showing the bid/offer price. To buy (offer), you would pay 1.3159 x contract size. To sell (bid), you would receive 1.3157 x contract size. The difference between the two prices is, in this example, 0.0002 which, is the Spread.

Each Margin FX contract’s size can be any amount equal to or greater than 1,000 of a particular trading currency. Note: For CFDs other than Margin
FX, the contract size will differ. See the Details link on the Trading Platform for the contract size for each CFD.

Remember: what you are actually buying is a contract - not the Reference Instrument itself. You can only trade through our online Trading Platform. We do not accept orders through the phone or by email.

**Step 5:** You then choose when to sell or buy in order to close your position. You close your position by taking an opposite position to what you did under Step 4 above, with the intention of making a profit or minimising any losses when the price moves in the intended direction.

**Step 6:** The profit or loss resulting from the trade will be credited or debited to your trading account.

We have trading rules (including “Forced Liquidation” which is explained below, and an Initial Margin requirement which is explained above) to help you limit any losses.

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

**Example**

Bill thinks that the EUR will appreciate against the USD in the near future. Bill resides in Australia. He sees that the prices quoted on the EUR/USD currency pair by PLUS500AU is 1.3157/1.3159. The “offer” price is the rate at which he would buy EUR, so he buys 100,000 EUR of a contract EUR/USD at 1.3159 (our minimum size is 1,000 EUR). He wants to sell it later at a higher price.

**Opening the position**

<table>
<thead>
<tr>
<th>Buy 100,000 at offer price:</th>
<th>100,000 x 1.3159 = $131,590 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>The contract is leveraged on a 1:50 ratio. That means that we require an Initial Margin from Bill to be deposited into our account, which is 2% of the value.</td>
<td>100,000 x 0.02 = 2,000 EUR (Initial Margin) In this Example: EUR/AUD = 1.2814 USD/AUD = 0.9832 Bill deposited 3,000 AUD.</td>
</tr>
<tr>
<td>We earn a Spread. In this example, the difference between the buy (offer) price and the sell (bid) price is 0.0002 (known as two percentage in points or “pips”), which amounts to $20 USD. It is built in to the price when Bill clicked “buy” and again when he clicks “sell”. That is, the price you pay at the point of execution of a trade is an “all in” price. You do not separately pay us the Spread.</td>
<td>(1.3159-1.3157) x 100,000 = $20 USD</td>
</tr>
</tbody>
</table>
### Rollover Interest

<table>
<thead>
<tr>
<th>When a position is held open after market closure, you are credited or debited Overnight Funding based on whether you are buying or selling the CFD and on the interest rate differentials. In this example: EUR/USD has a daily Overnight Funding BUY of -0.0185%.</th>
<th>$131,590 (bid) \times 0.000185 = -$24.34 USD</th>
</tr>
</thead>
</table>

### Closing the position

<table>
<thead>
<tr>
<th>The next day the price of EUR/USD has decreased by 10 pips to 1.3147 (bid) / 1.3149 (offer). The trade has not moved in Bill’s favour and he decides to cut his losses and close the position by selling at the bid price. For this trade we also earn a Spread of $20 USD (2 pips \times 100,000 USD). The price you pay at the point of execution of a trade is an “all in” price. You do not separately pay us the Spread.</th>
<th>1 \times 1.3147 \times 100,000 = $131,470 USD</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>His gross loss is the difference between the opening position and the closing position.</th>
<th>131,470 - 131,590 = -$120.00 USD</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>His net loss is the gross loss less the costs (in this example, the Overnight Funding cost). The Spread which was built in to the price in this example includes 2 \times $20 USD, which totals $40 USD. The Spread is built into the price you pay at the point of execution of a trade. You do not separately pay us the Spread.</th>
<th>-120 - 24.34 = -$144.34 USD (=141.91 AUD)</th>
</tr>
</thead>
</table>

**Summary:** In the above example, Bill had to deposit at least to cover his Initial Margin requirement, and he has lost \$141.91 AUD. Bill’s available balance is therefore 3,000 - 141.91 = 2,858.09 AUD.

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.

**Note:** More detailed explanations are set out under the heading “The Costs in Using our products” below.

*All account withdrawal requests, except withdrawals via bank transfer, are subject to a minimum withdrawal amount, which is the lesser of \$50USD (or*
equivalent), or your available balance. The minimum withdrawal amount for bank transfers is the lesser of $100USD (or equivalent), or your available balance.

4. Balances on your account

Balances on your account are calculated on real time:

**Balance** is calculated using the following formula

\[
\text{Balance} = \text{Deposits} - \text{Withdrawals} + \text{the sum of all of the Profit/Loss of your closed positions.}
\]

The Balance does not include the profit or loss of your current open positions.

**Available Balance** is the amount available to be used for new positions or to withdraw subject to the minimum withdrawal amount. It is calculated using the following formula:

\[
\text{Available Balance} = \text{Balance} + \text{Profit/Loss of open positions} - \text{the sum of all Initial Margins}
\]

**Profit/Loss** is the profit and loss for all open positions. It is calculated using the following formula:

\[
\text{Profit/Loss} = \text{For all open positions, the sum of} \ (\text{Profit/Loss} + \text{daily Overnight Funding} \times \text{number of days})
\]

**Equity** is the current account valuation when all positions are liquidated. It is calculated using the following formula:

\[
\text{Equity} = \text{Balance} + \text{Profit/Loss}
\]

During the day on a real time basis your Account balance(s), including all open positions, are valued against our current quoted prices for CFDs. Therefore, your ‘Equity’, ‘Available Balance’ and ‘Profit/Loss’ are constantly calculated in line with movements in the quoted prices of our CFDs.

The value of your Equity must exceed the Maintenance Margin Amount at all times or your positions may be closed out without further notice to you.

The ‘Available Balance’ is used to assess your available funds for use to meet the margin requirement against current positions and to meet margin requirements on any new positions you may wish to take.

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

If the ‘Available Balance’ on your account falls below the required deposit limit, you will only be allowed to close or reduce open positions, until the ‘Available Balance’ on your account is back in excess of the required margin percentage for all open positions.

If any of your positions are denominated in a currency other than the Base Currency of your account, they will be continually valued at the applicable Plus500AU foreign
exchange rate. Your statement will then value all your positions in your Base Currency.

**Example of an account balance:**
Jim signed up and deposited $1,000 via credit card
Balance: $1,000. (Deposits - Withdrawals + Profit/Loss of closed positions)
Profit/Loss = $0. (Total profit and loss of all open positions including daily Overnight Funding)
Available Balance: $1,000 (Balance + Profit/Loss of open positions - Initial Margins)
Equity: $1,000 (Balance + Profit/Loss of open positions)

1.00pm Jim buys 100 Oil CFDs at a market price of $60.00 with a Limit Order when the price reaches $66.00.

**Opening the position**

<table>
<thead>
<tr>
<th>Buy 100 Oil CFDs at offer price:</th>
</tr>
</thead>
<tbody>
<tr>
<td>As noted in the earlier example, we earn a Spread which is built in to the price when Jim clicked “buy”. That is, the price you pay at the point of execution of a trade is an “all in” price. You do not separately pay us the Spread.</td>
</tr>
</tbody>
</table>

| We require an Initial Margin from Jim to be deposited into our account, which is 10% of the value. | 100 x 60 x 0.10 = $600 USD (Initial Margin) |

| The Maintenance Margin that is needed to maintain an Oil CFD position is 5%. | 100 x 60 x 0.05 = $300 USD (Maintenance Margin) |

<table>
<thead>
<tr>
<th>If Jim’s equity falls below the Maintenance Margin, he will get a margin call.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim’s Balance is $1,000</td>
</tr>
<tr>
<td>Profit/Loss = $0</td>
</tr>
<tr>
<td>Available Balance after Jim bought the Oil CFDs is $400.</td>
</tr>
</tbody>
</table>

**Unrealised profit on the position**
2:05pm Oil CFDs jump to $64.

<table>
<thead>
<tr>
<th>Jim’s Balance is $1,000</th>
</tr>
</thead>
</table>

| Jim’s Profit/Loss = $400 | (100 x 64) - (100 x 60) = $400 |
Jim’s Available Balance is now $800
1000 - (6000 x 0.10) + 400 = $800

Jim’s Equity is now $1,400
1000 + 400 = $1,400

Closing the position

2:15pm Oil CFDs jumps to $66 and Jim’s Limit Order executes

Jim’s Balance is $1,000

The price of Oil has increased. This means that the trade has moved in Jim’s favour and his Limit Order executes at $66.

Jim’s Profit/Loss = $600

For this trade, we also earn a Spread. The price you pay at the point of execution of a trade is an “all in” price. You do not separately pay us the Spread

His gross profit is the difference between the opening position and the closing position.

(100 x 66) - (100 x 60) = $600 USD

Jim’s Equity is now $1,600
1000 + 600 = $1,600

5. Margin Requirements

ASIC Benchmark 7 - Margin Calls

Plus500AU maintains and applies a written policy in relation to margin call practices and our discretions relating to close outs. This section sets out Plus500AU’s policy on margin calls.

Initial Margin requirements

For all CFD contracts (e.g. Shares, ETFs, Foreign Exchange, Options, Commodity, Index and Cryptocurrency CFDs), the Initial Margin requirement is the amount required in order to open a position. It is calculated using the following formula:

Initial Transaction value × Instrument Initial Margin percentage.
Initial Margin percentages are different for every product offered via the Trading Platform. The percentage varies according to volatility and market conditions for the Reference Instrument. You can see the Initial Margin requirements for each product in the instrument details in the Trading Platform.

**Maintenance Margin requirements**

The amount required to be kept in collateral until the position is closed is the Maintenance Margin. It is calculated using the following formula:

\[
\text{Initial Transaction value} \times \text{Instrument Maintenance Margin percentage}.
\]

The Maintenance Margin is the minimum amount to be collateralised in order to keep an open position. It is generally lower than the Initial Margin. This allows the price to move against the margin without forcing a margin call immediately after the initial transaction. You can see the Maintenance Margin requirements for each product in the instrument details in the Trading Platform.

Initial Transaction value: All CFDs have an opening transaction value which is the CFD’s opening price multiplied by the size of the trade and all Initial Margin and Maintenance Margins are based on this.

**Margin Alert**

We will try and send you an SMS and Email alert once every 24 hours if we believe that you may need to contribute further margin in order to keep your position open and you have not changed the default setting for alerts in the Alert Subscription Centre of the Trading Platform.

Please note that by default you will be sent an alert on a margin call but this default setting for alerts can be adjusted differently by you in the Alert Subscription Centre of the Trading Platform (including changing or turning off alerts for margin calls). You cannot rely on this email or SMS to alert you of margin calls and you need to monitor your positions on the Trading Platform.

Typically, an alert is triggered according to the following formula:

\[
\text{Where Equity is less than or equal to (the sum of all Maintenance Margin + (the sum of all Initial Margin - the sum of all Maintenance Margin))} \times 0.3
\]

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

You should be aware that an alert may not be triggered in certain circumstances including, but not limited to:

- where we, or you, are experiencing Internet connection issues;
- volatile market conditions;
- a lack of market liquidity;
- in circumstances beyond our control including terrorism related events.
Example:
Julie buys 10 JKLM Ltd Shares CFDs at $540.00.
Initial Margin: 10%, Maintenance Margin 2%
The total amount bought is: $540.00 = $5,400
The Initial Margin that is needed is 10%: $540
The Maintenance Margin that is needed to maintain the position is 2%: $108

If Julie's Equity falls below: $237.6 (108 + (540 - 108) × 0.3) we will try and send her an SMS and email alerting her that she needs to deposit more funds.

6. Margin Call (Forced Liquidation)

To avoid Forced Liquidation, Equity must be greater than or equal to the sum of all Maintenance Margin.

It is your responsibility to constantly monitor your open positions on the Trading Platform to ensure that you maintain sufficient Maintenance Margin on 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 account.

While we may endeavour to notify you of margin calls it is your obligation to monitor your margin position and pay any shortfall. If you do not pay us any shortfall immediately, whether or not we notify you, the User 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. Where you have more than one open position, the positions will start closing out according to their Maintenance Margin. We have these rights as soon as you have a margin shortfall, however large or small. Payments of margin are not a cost per se, but you should be aware that we will not pay interest on margin payments.

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

For example, if 10 days after you open your KokoMoko Ltd CFD position, the price of KokoMoko Ltd has risen to $27.60, then your Initial Margin and Maintenance Margin will not change as they rely solely on the opening position value.

We will specify the margin percentage value required on your CFD at the time that you open the CFD. Even if we alter the percentage value of the margins at any time during which the CFD remains open, the margin amount won’t change for open positions.

We can change the margin amount in order to minimise trading risk and deduct the resulting realised loss from your remaining funds held by us.

With Plus500AU you will not be liable to pay any amounts which cannot be covered by the closing out of all of your positions.
Example

Bill thinks that Oil will depreciate in the near future. Bill resides in Australia. He sees that the prices quoted on Oil CFDs by PLUS500AU are $85.60 / $85.65 USD. The ‘unit amount’ of Oil is 2 barrels. The ‘unit amount’ appears in the instrument details screen on the Trading Platform and is specific to every product. Bill sells 10 barrels of Oil. He wants to buy it later at a lower price, in order to close his position.

Bill has an Available Balance of $110 AUD.
For this example let’s assume 1 USD = 1 AUD.

Opening the position

<table>
<thead>
<tr>
<th>Sell 10 barrels at bid price:</th>
<th>10 x $85.60 = $856 USD</th>
</tr>
</thead>
</table>

The contract is leveraged on a 1:12 ratio because the Oil’s Initial Margin is 12% and Maintenance Margin is 2.5%. That means that we require an Initial Margin of $102.72 from Bill to be lodged.

856 x 0.12 = $102.72 USD (Initial Margin)
856 x 0.025 = $21.4 USD (Maintenance Margin)

The margin is lodged from Bills trading account in AUD according to the rate of AUD/USD when he opened the position.

We earn a Spread. In this example, the difference is 0.05 (known as five “pips”), which amounts to $0.5 USD. It is built in to the price and this is the way Plus500AU makes money.

10 x ($85.65 - $85.60) = $0.5 USD

Daily Overnight Funding

When a position is held upon a certain time specified in the instrument details screen on the Trading Platform, you are credited or debited a daily Overnight Funding. In this example, assume the daily Overnight Funding for Oil: -0.15% Buy and -0.15% Sell. Overnight Funding time: 06:00.

$856 x -0.0015 = -1.3 USD

Closing the position

The next day the price of Oil has jumped suddenly to $95.50/$95.55. The trade has moved against Bill.

Now: Equity < the sum of all Maintenance Margin (9.2 < 21.4)

PLUS500AU forces the closing of Bill’s position to protect him from further loss.

Gross Profit/Loss = 10 x (85.6 - 95.55) = -99.5 USD
Daily Overnight Funding = -1.3 USD

Net Profit/Loss = -99.5 - 1.3 = -100.8 USD = -100.8 AUD

Equity = Balance + Profit/Loss = 110 - 100.8 = 9.2 AUD
His total loss is the gross loss less the costs.  

Net Profit/Loss = -99.5 - 1.3 = -100.8 USD = -100.8 AUD

Summary: In the above example, Bill deposited 110 AUD and lost 100.8 AUD.

Note: More detailed explanations are set out under the heading “The Costs in Using our products” below.

In addition to Forced Liquidation, we may margin call your position while a trade is open as discussed above.

7. Share and ETF CFDs

Trading individual shares or ETFs on margin using a CFD allows you to take a position over a share or ETF without putting up the full contract value and without you taking physical delivery of the shares or ETFs.

The examples below are based on share CFD transactions. However, ETF CFD transactions are essentially the same.

‘Buying’ a share CFD replicates the economic effect of buying a share position where you receive the benefit of all rises in the share price (and bear the cost of all falls in the share price). However, you do not take physical delivery of the underlying shares.

If a cash dividend is paid on the underlying share a positive adjustment is made to your account as a notional representation of that dividend. A negative adjustment is made to your account as a notional representation of the cost of funding an equivalent share position. The adjustment is based on the dividend gross amount received from third party providers.

Buying or selling a share CFD is similar to normal share dealing except:

- You deal at the ‘buy’ or ‘sell’ price quoted on our Trading Platform. The price quoted on our Trading Platform is set by us and is not taken directly from any one source. This means that the price we set for a CFD over a Reference Instrument (in this example, shares) may be different to any current exchange or market price, or a competitor’s price for that Reference Instrument;
- You don’t pay commission.

Unlike normal share trading, instead of paying the full value of the transaction, you make a payment of margin which will be a percentage of the underlying contract value. In the case of leading USA shares, margins start from 10% of the value of the underlying share (see below). Details of the margin percentage requirements for the products we offer are set out in the details of each CFD on the Trading Platform.
Your profit or loss will be made on the difference between when you open the CFD contract and when you close it and the sum of any notional adjustments representing dividends and Overnight Funding.

Example of opening and closing a ‘buy’ CFD on an individual share

Opening the position
COMPANYX Limited shares are quoted at $5.33/$5.35 in the market to trade the physical shares. The price quoted on the Plus500AU Trading Platform to trade a CFD over the shares (i.e. Share CFD) is $5.32/$5.36. Janet believes the price is going to rise. Janet decides to ‘buy’ 10,000 shares as a CFD at $5.36, the offer price. While Janet’s COMPANYX Limited position remains open, her account will be debited to reflect Overnight Funding adjustments and credited to reflect any dividends.

Closing the position
Some weeks later, COMPANYX Limited CFD price on the Trading Platform has risen to $6.20/6.24 and Janet decides to take her profit. She sells 10,000 shares at $6.20, the bid price. Her 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

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

Applicable margin rates are detailed in the instrument details on the Trading Platform.

Overnight Funding (Interest adjustments)
Overnight Funding costs are calculated daily on your overnight positions by applying the applicable interest rate at the time of opening of the position to the opening value of the position, which means that the daily charge doesn’t change for an open position. The opening value is the number of shares multiplied by the opening price.

For example, the applicable Overnight Funding charge might be 9.00% (for a whole year - in the Trading Platform it is shown per day in the instrument details) and the opening price of the shares CFDs on a particular day might be $7.20. The opening value of a 10,000 share position would be $72,000 (i.e. 10,000 shares x $7.20). So the Overnight Funding cost for the position for this particular day would be $18 (i.e. $72,000 x 9.00%/360).

Overnight Funding adjustments are calculated and posted to your account position on a daily basis.

Commission
There is no commission to pay on Plus500AU CFDs traded with Plus500AU. We quote an ‘all-in’ price, so the only charge is the Spread - the difference between our ‘buy’ and ‘sell’ quotes.
Calculating the overall result

To calculate the overall or net profit on the CFD contract you also have to take account of the Overnight Funding and dividend adjustments that have been credited or debited.

In the above example, Janet might have held the position for 21 days, at a total Overnight Funding of, say, $378 ($18 per day x 21 days). 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) to her account.

Gross profit on trade: $8,400
Total commission: $0
Overnight Funding adjustment: ($378)
Dividend adjustment: $1,500
Net profit on trade: $9,522

Example of opening and closing a ‘sell’ CFD on an individual share

Selling or “shorting” a share CFD is the opposite of buying a share CFD. That is, you replicate a short position in the underlying share where you benefit from all falls in the underlying share price (and conversely bear the cost of all rises in the underlying share price). A negative adjustment will be made to your account representing a notional dividend if any cash dividends are paid on the underlying share and a positive adjustment will be made to your account representing the interest that you could have earned if the proceeds of the underlying share sale were placed on deposit.

This example shows how you can use a CFD to achieve the same economic effect as selling a share short.

Opening the position

Tom thinks the share price of Company Y is about to fall. The share CFD is quoted in the Trading Platform at $9.56/$9.61. Tom sells 5,000 shares CFDs at $9.56, which is the bid price at the time.

Commission

There is no commission to pay on Plus500AU CFD contracts. We quote an ‘all-in’ price, so the only charge is the Spread - the difference between our ‘buy’ and ‘sell’ quotes.

The Initial Margin is 10% so Tom's margin percentage requirement for this trade is $4,780 (5,000 x $9.56 x 10%). Tom's account balance of $10,000 comfortably exceeds this. (For a full explanation of margin percentage requirements see above).

Because Tom has taken a short position in his Share CFD in this example, his account is credited to reflect Overnight Funding adjustments and debited to reflect any dividends.
Daily Overnight Funding

The Overnight Funding (interest credit) on your position is calculated daily, by applying the applicable interest rate at opening date to the opening value of the position. In this example, the applicable Overnight Funding charge is 6.00% and the opening price of the shares $9.56, giving an opening value of $47,800 (i.e. 5,000 shares CFDs x $9.56). So, the Overnight Funding credit for the position for this particular day would be $7.96 (i.e. $47,800 x 6.00%/360).

Dividend adjustment

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

Closing the position

The share CFD price of Company Y has risen to $11.56/$11.61 in the Trading Platform and Tom decides to cut his loss and close the position.

To close the position, Tom buys 5,000 shares at $11.61, the offer price. The commission on the transaction is 0.

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

Calculating the overall result

To calculate the overall or total loss on the CFD you also have to take account of the Overnight Funding and dividend adjustments. In this example, Tom might have held the position for 30 days (weekend days count), earning a total Overnight Funding credit 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)
- Total commission: $0
- Overnight Funding adjustment: $238.8
- Dividend adjustment: ($1,150)
- Overall or total loss: ($11,161.20)

8. Stock Index CFDs

Plus500AU's Stock Index CFDs are based on the nearest month index futures.

Stock Index CFDs allows you to gain exposure to a large number of different shares in one single transaction. They can 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. A short position can be used as a rough hedge to protect a diversified share portfolio against market falls.

A Stock Index CFD contract works in the same way as a CFD contract on an individual share in that they allow you to make a profit or loss by reference to fluctuations in the value of the underlying index, such as the S&P500 Index. There is no commission payable on opening or closing a Stock Index CFDs however Overnight Funding adjustments may be applicable as future contracts trade at prices which reflect the dividends companies are due to pay.

Stock Index CFD contracts are opened in the same way as individual share CFD contracts. 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 or a competitor’s price. In particular, in a volatile market, CFDs based on index futures 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 likely earn 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 (buy) position in a future 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.

Please remember that in a volatile market, futures contracts can trade at very substantial premiums or discounts to their underlying index.

**Example**

Jack thinks that the broad equity market in Australia is oversold and is anticipating a recovery in the S&P/ASX 200 stock index futures price. Rather than try 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 Trading Platform for CFDs over S&P/ASX200 stock index futures contracts is currently 4,972/4,975. Jack 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 4,975. (Each unit =10 contracts).

The Initial Margin percentage for S&P/ASX 200 stock index futures is 0.34%, so the Initial Margin required to open Jack’s position is 0.34% x 4,975 = A$ 1,619.15.

Over the next 2 days, the S&P/ASX200 stock index futures CFD price rises to 5,022/5,025. Jack enters an order to close his position and sells his position at 5,022.
Jack’s gross profit on the trade is calculated as follows:

Opening level: 4,975
Closing level: 5,022
Difference: 47
Gross Profit on Trade= 47x10= $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

9. CFDs on Options

General explanation:

In traditional financial markets (not the CFD market), options are contracts through which a seller gives a buyer the right, but not the obligation, to buy or sell a specified quantity (number of contracts/shares) at a predetermined price within a set time period.

Options are derivatives, which mean their value is derived from the value of an underlying instrument. Most frequently the underlying instrument on which an option is based is the equity shares in a publicly listed company. Other underlying instruments on which options can be based include stock indices, Exchange Traded Funds (ETFs), government securities, foreign currencies or commodities like agricultural or industrial products.

Options are traded on securities marketplaces among institutional investors, individual investors, and professional traders and trades can be for one contract or for many. Fractional contracts are generally not traded.

An option contract is defined by the following elements: type (Put or Call), underlying security, unit of trade (number of shares), strike price, implied volatility and expiration date. In the special language of options, contracts fall into two categories - Calls and Puts. A Call represents the right of the holder to buy the underlying product. A Put represents the right of the holder to sell the underlying product.

Call Options (General explanation):

A Call option is a contract that gives the holder the right, but not the obligation, to buy a predetermined quantity of the underlying instrument. For example, 100 shares of an underlying stock at a predetermined price (the strike price) for a pre-set period of time. The seller of a Call option is obligated to sell the underlying security if the Call buyer exercises his or her option to buy on or before the option expiration date. For example, an American-style WXYZ Corporation May 21, 2016 60 Call entitles the
buyer to purchase 100 shares of WXYZ Corporation common stock at $60 per share at any time prior to the option's expiration date of May 21, 2016.

Put Options (General explanation):

A Put option is a contract that gives the holder the right, but not the obligation, to sell a predetermined quantity of the underlying instrument. For example 100 shares of an underlying stock at a predetermined price for a pre-set time period. The seller of a Put option is obligated to buy the underlying security if the Put holder exercises his or her option to sell on or before the option expiration date. For example, an American-style WXYZ Corporation May 21, 2016 60 Put entitles the holder to sell 100 shares of WXYZ Corp. common stock at $60 per share at any time prior to the option's expiration date of 21 May, 2016.

Strike Price (General explanation):

In finance, the strike price (or exercise price) of an option is the fixed price at which the holder of the option can buy (in the case of a call), or sell (in the case of a put), the underlying security or commodity.

The strike price is a key variable in a derivatives contract between two parties. Where the contract requires delivery of the underlying instrument, the trade will be at the strike price, regardless of the spot price (market price) of the underlying instrument at that time.

For example, an DEF May 50 Call has a strike price of $50 a share. When the option is exercised, the holder of the option will buy 100 shares of DEF stock for $50 per share.

Plus500AU does not offer options trading. Instead, we offer options CFDs. The above concepts (e.g. puts and calls) are also relevant to options CFDs. However, option CFs are always cash settled (i.e. you cannot exercise them and cannot actually buy or sell the underlying product at expiry).

Options CFDs

When you trade option CFDs you are speculating on the future price (strike price) of an underlying Reference Instrument such as a stock, index or commodity.

All option CFDs offered by Plus500AU are cash settled (i.e. actual physical delivery of the Reference Instrument never occurs). Instead, at the option CFDs expiry, cash is credited or debited to your balance in the amount of the difference between the strike price and the current market value of the Reference Instrument.

When you enter a position on a Call or Put option CFD, you are essentially entering a contract on the price a Reference Instrument will reach (or surpass) at the expiry date.

Plus500AU offers two types of options CFDs:

- Call option CFDs
- Put option CFDs.

A Call option CFD gives the holder the right, but not the obligation, to buy at an agreed upon price at expiry.
A Put option CFD gives the holder the right, but not the obligation, to sell at an agreed upon price upon expiry.

When you buy Put or Call option CFDs your downside risk stops at 0 - you can't lose more than the Available Balance in your account, so your maximum liability is known from the outset.

Selling Put or Call option CFDs gives you the ability to increase potential profits in stagnant markets, by taking advantage of time value that is priced into option CFDs. Unlike buying option CFDs, you can lose more than the Available Balance in your account when selling Option CFDs.

If you open long and short positions (within the same underlying market) when trading Option CFDs, your margins are offset and you are only margined on one of the cumulative positions.

Option CFDs offer lower trading costs. Trade them online, with lower margin requirements and no premium brokerage as with regular options trading. Note: You are not dealing in the option itself. You cannot exercise it and you have no rights in the underlying Reference Instrument it constitutes.

The option CFDs offered by Plus500AU allow you to amplify your market exposure without the need for a larger amount of capital. That is, with a leverage of up to 1:5, for every $1,000 you deposit, you can trade up to $5,000 worth of options CFDs.

For example, assuming the stock price of ABC Ltd is $200, while the current price of a Call option CFD for $250 (Call 250:Nov:ABC Ltd) is $12 per option. With $120, you could open a trading position on 10 options, valued at $600 (10 options × Option price of $12) × Leverage of 5 = (10 × 12) × 5 = $600.

Every option CFD offered by Plus500AU has a predefined expiry date. On the expiry date, the position will be closed and the option CFDs last price is based on the last available rate (not zero).

The main factors determining the price of an option CFD offered by us include:
- the current price of the Reference Instrument
- the level of volatility in the market
- the expiry date
- the option’s intrinsic value, defined as the value any given option would have if it were exercised at the present time

The price of an option CFD is also heavily influenced by their supply and demand in the market for the specific option.

The price of an option CFD is also referenced to the price movements of the Reference Instrument. When financial markets experience high volatility, options CFDs percentage change tends to move more significantly than the Reference Instrument, due to an increase in implied volatility.

Example: XYZ Pty Ltd is trading at $1,000 and you buy a Call option of $1,100 for one month from now at $70. Two weeks later XYZ Pty Ltd’s price goes down to $950 and the option CFDs price is now $50. Your potential loss is -$20 per option CFD (50 - 70 = -$20) This is equivalent to a 28% change in the price (20 ÷ 70 = 0.28), which
is greater than if you had bought an XYZ Pty Ltd share at $1,000 and lost 5% (50 +1,000 = 0.05).

Example: XYZ Pty Ltd is trading at $1,000 and you buy a Call option CFD of $1,100 for one month from now at $70. Two weeks later, XYZ Pty Ltd’s price goes up to $1,050 and the option CFDs price is now $90. Your potential profit is $20 per option CFD (90 - 70 = 20). This is equivalent to a yield of 28% which is much greater than if you would have bought an XYZ Pty Ltd share at $1,000 and profited 5% (50 ÷ 1,000 = 0.05).

On our platform
We offer CFD trading, therefore the options are options CFDs. This means that the positions our traders open are on a specific option, but what determines their profit/loss are the changes to the “Buy” and “Sell” rate (in accordance to their position type) and not the final price of the option at execution.

For example: The current rate of a CFD option on “Germany 30” is 9,746.56 (Buy rate). The option David chooses is a “Call” option for 9,850 with a “Buy” rate of 512 - this means that he believes that the rate of the instrument “Germany 30” at the expiry of the option will be higher than 9,850. The “Buy” and “Sell”(512/500) rates represent the supply and demand for this specific option (as they do for any Reference Instrument). This means that once the position on an option is opened, the profit or loss will be determined by “Sell” rate at closure.

Opening the position

| David “buys” one call Option CFD on Germany 30 at the offer price: | $512 x 1 = $512 USD |
| The contract is leveraged on a 1:2 ratio. That means that we require an Initial Margin from David to be deposited into our account, which is 50% of the contract value. | $512 x 0.5 = $256 USD |

Closing the position

| Later that day the price of the Option CFD has increased by $32 USD to 540 (Sell)/544 (Buy). The trade has moved in David’s favour and he decides to close his position. | $540 x 1 = $540 |
| His total gross profit is the Sell value minus the Buy value. | $540 - $512 = $28.00 USD |

Summary: In the above example, David deposited $256 as his Initial Margin on this trade and made a profit of $28. If the price had not increased by $28USD dollars but had instead dropped by $10 dollars he would have sustained a loss of $490 - $512 = $22 USD

Note: More detailed explanations are set out under the heading “The Costs in Using our products” below.
How do the “Call/Put” functions affect users’ positions?
In the above example, if the trader buys a “Call” option, the trader will profit if the underlying price of the option CFD reaches a rate higher than 9,850 since with a “Call” option the profit is generated when the market price at expiration is higher than the price at which it was trading when the user bought the option CFD.

10. Commodities CFDs

We also offer a range of CFDs on the price of various commodity futures. These are often generically referred to by us as Commodity CFDs. Details of these products are listed in the instrument details on the Trading Platform.

There is no commission to pay on these types of CFDs; we quote an ‘all-in’ price, so the only charge is the Spread - the difference between our ‘buy’ and ‘sell’ quotes.

The margin requirements are also set out in the instrument details on the Trading Platform.

**Example**
Kerry believes that the price of gold is undervalued and she decides to enter into a CFD contract in respect of gold in the expectation that the gold price will rise. Our Trading Platform is showing the price of Gold CFDs as being USD 1,621.85 (bid) / 1,622.35 (offer). Our minimum Unit Amount is 100 ounces. Kerry buys 100 ounces.

**Opening the position**

<table>
<thead>
<tr>
<th>Kerry “buys” a CFD in respect of 100 ounces of gold at the offer price:</th>
<th>1,622.35 x 100 = $162,235 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>The contract is leveraged on a 1:200 ratio. That means that we require an Initial Margin from Kerry to be deposited into our account, which is 0.5% of the contract value.</td>
<td>162,235 x 0.005 = $811.18 USD</td>
</tr>
<tr>
<td>We earn a Spread. In this example, the difference is $0.50, which amounts to $50 USD.</td>
<td>(1,621.85 - 1,621.35) x 100 ounces = $50 USD</td>
</tr>
</tbody>
</table>

**Daily Overnight Funding**

| When a position is held more than a certain time specified in the instrument details screen on the Trading Platform, you are credited or debited Overnight Funding. In this example, assume the overnight financing cost is -0.018% | 162,185 x -0.018% = -$29.19 USD Daily Overnight Funding |
Closing the position

The next day the price of Gold has increased by $10 USD to 1,631.85 (bid)/1,632.35(offer). The trade has moved in Kerry’s favour and she decides to close her position.

\[
1,631.85 \times 100 = $163,185
\]

Her total gross profit is the Sell value minus the Buy value.

\[
163,185 - 162,235 = $950.00 \text{ USD}
\]

Her total net profit is the gross profit less the financing costs.

\[
950 - 29.19 = $920.81 \text{ USD}
\]

Summary: In the above example, Kerry lodged $811.18 as her Initial Margin on this trade and made a profit of $920.81. If the price had not increased by USD 10 dollars but had instead dropped by 10 dollars, Kerry would have sustained a loss of 161,185 - 162,235 - 29.19 = 1,079.19 USD

Note: More detailed explanations are set out under the heading “The Costs in Using our products” below

11. Forex CFDs

Forex CFDs allow you to gain exposure to movements in currency rates. When trading Forex CFDs, you are essentially speculating on the price changes in the exchange rate of two currencies i.e a currency pair.

Forex CFDs are opened in the same way as other CFDs. We will quote a bid and offer price for an exchange rate.

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 following the same steps as when you opened your position. 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.

While holding a position overnight, your account is debited or credited with the applicable Overnight Funding adjustment.

Details of currency trading sizes and margin requirements are set out in the instrument details on the Trading Platform.

Examples of Forex CFDs

**Example 1:** Buying USD/CHF CFD

**Opening the position**

Robert decides to go long of the US dollar against the Swiss franc CHF, and asks for a quote for 5 units (contracts), the equivalent of USD 25,000 (unit sizes are
set out in the instrument details on the Trading Platform). We quote him 0.9172/0.9177 and he buys 5 contracts at 0.9177. There is no commission to pay on Forex CFD trades.

**Overnight Funding (Interest adjustments)**

While the position remains open, an overnight adjustment based on interest rate differentials is debited or credited to your account. The applicable rate appears in the instrument details on the Trading Platform. Please note that this rate remains the same for as long as the position is open.

In this example, the rate is -0.02% per day (the minus sign means you pay Plus500AU). USD 25,000 × 0.02% = $5 = CHF4.58.

**Closing the position**

23 days later, the USD/CHF has risen to 0.9333/0.9338, and Robert takes his profit by selling 5 units at 0.9333. Robert’s gross profit on the trade is calculated as follows:

- Closing transaction: USD 25,000 (5 units) x 0.9333 = CHF 23,332.5
- Opening transaction: USD 25,000 (5 units) x 0.9177 = CHF 22,942.5
- Gross profit on trade: = CHF 390

**Calculating the overall result**

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 USD 5 × 23 = USD 115 = CHF 107.32.

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

Each country holds user account balances in specific currency (i.e. Australia AUD, Hungary HUF etc.).

Conversions will be at the rate in the Trading Platform at the time of conversion. Exchange rates are subject to fluctuations and clients should always be aware of the effect that exchange rates will have on their positions.

**Example 2: Selling GBP/USD CFD**

**Opening the position**

Robert decides to go short on the British Pound (GBP) against the US dollar (USD), and to sell 10 units, the equivalent of GBP 50,000. Plus500AU quotes on the Trading Platform are 1.5750 / 1.5754 and Robert sells 10 units at 1.5750.

Robert decides to put his Stop Loss Order at 1.6224. This means that, should the market move against him, his position will try to close at 1.6224, although market ‘gaps’ can occur from say 1.6224 to 1.6322 on unexpected news. So, the most Robert can lose on the position is theoretically limited only by the amount of his initial deposit.
Overnight Funding adjustments
In this example, the rate -0.018% per day (minus sign means you pay Plus500AU).
GBP 50,000 × 0.018% = GBP 9 = USD 14.18.

Closing the position
12 days later, our quote for GBP/USD has fallen to 1.5533/1.5537. Robert thinks the Pound may now go higher and closes his position by buying ten units at 1.5537, the offer price. Robert's profit on the trade is calculated as follows:

Closing transaction: GBP 50,000 (10 units) x 1.5537 = USD 77,685
Opening transaction: GBP 50,000 (10 units) x 1.5750= USD 78,750
Gross profit on trade: = USD 1,065

Calculating the total profit
To calculate the total profit, you also have to take account of the Overnight Funding.
In this example, Robert might have held the position for 12 days, incurring a total Overnight Funding debit of 12 × 14.18 = USD 170.16.

Gross profit on trade: USD 1,065
Overnight Funding debit: USD 170.16
Total profit: USD 894.84 = GBP 568.15 equivalent

Example 3: Selling BTC/USD CFD

Opening the position
Harry decides to go short on Bitcoin against the US dollar, and to sell 100 units, the equivalent of 50 Bitcoins. Plus500AU quotes on the Trading Platform are 450.00/457.50 and Harry sells 100 units at 450.00.

Harry decides to put his Stop Loss Order at 465.00. This means that, should the market move against him, his position will try to close at 465.00, although market ‘gaps’ can occur from say 460.00 to 470.00 on unexpected news. So, the most Harry can lose on the position is theoretically limited only by the amount of his initial deposit.

Overnight Funding adjustments
In this example, the rate -0.1% per day (minus sign means you pay Plus500AU).
BTC 50 × 0.1% = BTC 0.05 = USD 22.5.

Closing the position
5 days later, our quote for BTC/USD has fallen to 418.00 425.00. Harry thinks the BTC may now go higher and closes his position by buying 100 units at 425.00, the offer price. Harry's profit on the trade is calculated as follows:

Closing transaction: BTC 50 (100 units) x 425.00 = USD 42,500
Opening transaction: BTC 50 (100 units) x 450.00= USD 45,000
Gross profit on trade: = USD 2,500

Calculating the total profit
To calculate the total profit, you also have to take account of the Overnight Funding debit.
In this example, Harry might have held the position for 5 days, incurring a total Overnight Funding debit of \(5 \times 22.5 = \text{USD 112.5}\).

Gross profit on trade: USD 2,500  
Overnight Funding debit: USD 112.5  
Total profit: USD 2,387.5

As noted on the first page of this PDS, trading in CFDs involves the risk of losing your entire initial Deposit. However, with Plus500AU you will not remain liable for any negative balances which cannot be covered by the closing out of all of your positions.

12. Cryptocurrency CFDs

Plus500AU offers trading in Cryptocurrency CFDs. This means that when you are trading Cryptocurrency CFDs with us you are not trading (buying or selling) a specific cryptocurrency (e.g. Bitcoin, LiteCoin etc.). Instead, you are entering into a contract with us regarding movements in the price of the underlying cryptocurrency you select. That is, who you close a position you do not take physical delivery of the specific cryptocurrency. Instead, your account will either be credited or debited accordingly to the profit or loss of the trade.

A cryptocurrency is a virtual currency (i.e. not fiat currency) that is not issued or backed by a central bank or government. Cryptocurrencies typically use a decentralised network, are generally kept in a digital wallet and can sometimes be used to pay for actual goods and services. Cryptocurrencies are traded on a cryptocurrency exchange.

Benefits of trading Cryptocurrency CFDs

Trading Cryptocurrency CFDs is a way of obtaining exposure to cryptocurrencies without owning or directly investing in the underlying cryptocurrency. The benefits of obtaining exposure to cryptocurrencies by trading Cryptocurrency CFDs include:

- No need to physically hold cryptocurrencies in a digital wallet which may be at risk of computer hacking; and
- Under certain market conditions trading Cryptocurrency CFDs may be quicker than directly investing in cryptocurrencies as it can be difficult to fill orders for cryptocurrencies on an exchange.

Risks of trading Cryptocurrency CFDs

While trading in Cryptocurrency CFDs provides exposure to cryptocurrencies without owning the underlying cryptocurrencies, specific risks exist. In addition to the risks sets out in Section 17 “Significant risks” you should note the following specific risks when trading Cryptocurrency CFDs.
When you trade Cryptocurrency CFDs with us you will not be able to use the Cryptocurrency CFDs to pay for goods and services as you are not buying or selling specific cryptocurrencies.

Cryptocurrencies are considered highly speculative and their values can fluctuate significantly over short periods of time. This is because cryptocurrencies are not guaranteed by any bank or government, the value of a cryptocurrency is based on its popularity at a given time, which is influenced by factors such as the number of people using it, the ease with which it can be traded or used and the perceived value of the cryptocurrency and its underlying distributed ledger technology. As Cryptocurrency CFDs derive their price from cryptocurrencies, this volatility can also affect the prices at which we offer our Cryptocurrency CFDs.

Cryptocurrency CFDs are leveraged products and therefore subject to leverage risk. While you may be able to outlay a relatively small Initial Margin to secure a significantly larger exposure to cryptocurrencies, this magnifies the size of your trade, so your potential gain and your potential loss is equally magnified. Leverage increases the risk that even small adverse movements in the value of the cryptocurrency can lead to losses.

Cryptocurrency CFDs may have an expiry date. Therefore, any open positions on Cryptocurrency CFDs will close on the expiry date set for the instrument at the last available price, if they are not closed earlier. Before opening a Cryptocurrency CFD position you should make sure you are aware of whether or not it has an expiry date, and what that expiry date is. You can find out the expiry date of an instrument by clicking on the "Details" link on the main trading platform screen next to the instrument’s name.

Therefore, trading CFDs on cryptocurrencies carries a high level of risk and may not be suitable for all traders. The possibility exists that you could sustain a loss of some or all of your initial deposit and profits. Accordingly, you should only invest in Cryptocurrency CFDs if you consider that you have the knowledge and experience and fully understand the risks associated with both CFDs and cryptocurrencies.

How we price Cryptocurrency CFDs

We you trade Cryptocurrency CFDs with us we are the counterparty. As Plus500AU is authorised to “make a market” it means that we set our own prices for the Cryptocurrency CFDs we offer.

Although the prices generated by the Trading Platform for Cryptocurrency CFDs 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 Cryptocurrency CFD may diverge significantly from any current exchange or market price of that cryptocurrency, or a competitor’s price for a CFD in respect of the same cryptocurrency.

In addition, as we are the counterparty to every CFD (including Cryptocurrency CFDs) if the market moves against you, we directly benefit from that trade. It is also possible that a Cryptocurrency CFD trade moves in your favour but you still end up with less than your original investment after closing your position because of the combined effect of the Spread and Overnight Funding.
The cryptocurrencies we currently offer CFDs on are found at https://www.plus500.com.au/Instruments#Crypto.

13. Managing Risks by using Stops and Limits

We offer features on our Trading Platform that help you control trading losses. We also offer various Orders such as Stop Loss Orders (including conventional Stop Loss Orders and Trailing Stops) and Limit Orders, each called an “Order”, that allow you to open or close a CFD when our quote for that product reaches or goes beyond a certain price that you have selected (The Trigger Price). These Orders are live until cancelled by you (GTC - good till cancelled).

You can only place an Order using the Trading Platform (either via a computer or mobile device). Telephone and email orders are not accepted at Plus500AU.

If we accept one of these Orders, then when our bid (in case of Sells) or our offer (in case of Buys) reaches or exceeds the Trigger Price, your instruction to close-out your position will be executed.

It is your responsibility to understand how an Order operates before you place any such Order with us. Examples are set out below and further information can be found on our Website or by asking our support team via the chat functionality on the Trading Platform. By placing an Order with us you acknowledge that you understand the terms and conditions attached to such an Order.

You should note that your Order may be executed irrespective of the length of time that the bid price quoted on the Trading Platform (in case of sells) or the offer price quoted on the Trading Platform (in case of buys) for a CFD over a particular Reference Instrument has reached or exceeded the Trigger Price. In volatile markets our quote might ‘gap’ through the Trigger Price, so that the closing or the opening price for a particular 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. Unless you have placed a Guaraanteed Stop Order 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 level at which the relevant transaction is opened or closed (as the case may be).

To avoid such risks you may wish to consider placing a Guaranteed Stop Order with Plus500AU. This type of Order is described below.

You can cancel or amend the Trigger Price with our agreement at any time before our quote or the relevant Reference Instrument reaches or exceeds your current specified Trigger Price. 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). Plus500AU doesn’t aggregate an Order.

**Examples of Orders**

**Example 1:** Selling a share CFD with a ‘Stop Loss Order’ - ‘Close at loss when rate is’

A ‘Stop Loss Order’ can be added to your trades when opening a new position/pending order, or when editing an existing position. A ‘Stop Loss Order’ allows you to set a specific rate at which your position will close, in order to minimise your loss. A ‘Stop Loss Order’ does not guarantee your position will close at the exact price level you have specified. If the market price suddenly gaps to a price beyond your stop level, it is possible your position will be closed at the next available price which can be a different price that the one you have set. This is known as ‘slippage’.

**Opening the position**

CFDs over Company Y shares are quoted at 6.41/6.46 on the Trading Platform, and Bill sells 10,000 shares as a CFD at $6.41, the bid price. Bill decides to put his Stop Loss Order at $6.70. There is no cost or fee charged for placing a Stop Loss Order. Should the market move against Bill, his position would be closed at $6.70. However, should the market gap straight through his Stop Loss Order, his position would be closed at the next available level that Plus500AU considers, fair and reasonable. In this example, we will assume that CFDs on Company Y’s shares gap straight through the Stop Loss Order level of $6.70 and the position is closed at $6.80, resulting in a loss of $1,500 (excluding Overnight Funding and dividend adjustments).

This loss is calculated as: $6.41, the opening level, minus $6.70, the Stop Loss Order level + market slippage of $0.10 = $0.39.

$0.39 x 10,000 shares = $3,900.

**Margin requirements are not affected by adding an Order to a position.**

**Triggering the Stop Loss Order**

After Bill held Company Y shares CFDs for a month, Company Y releases some positive news which results in CFDs over Company Y shares opening significantly higher. CFDs over Company Y’s shares closed the previous day at $6.05, but they open at $6.91/6.96.

Bill’s Stop Loss Order is triggered, and his position is closed at $6.96, where it would be possible to buy 10,000 shares back to close the position.

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 the total loss on the trade, you must also include Overnight Funding and any dividends that might be paid during the period the position was held. Bill’s total loss is calculated as follows:
Gross loss on trade: ($5,500)
Total commission: $0
Overnight Funding adjustment: $238.8
Overall or total loss: ($5,261.20)

Example 2: Buying a commodity CFD with a Stop Loss Order - Close at Loss

CFDs over Gold are trading at $1,405/$1,410 (Sell/Buy) per bullion. Tom decides to open a Buy position on 10 units of Gold CFD at $1,410 while placing a ‘Stop Loss Order’ at $1,390. The Gold CFDs price falls directly to $1,390 and then to $1,350. Tom’s position will automatically close at $1,390. His loss is therefore ($1,390 - 1,410) ×10 = -$200.

If, the Gold CFD price ‘gaps down’ from $1,410 directly to $1,350, the trade will close at $1,350 instead of $1,390 which was the ‘Stop Loss Order’ level Tom had set. Since the ‘Stop Loss Order’ level is not guaranteed, when the market suddenly dropped and passed $1,390, the position was triggered to close at the next available price which was $1,350. In this case, Tom’s loss was (1,350 - $1,410) × 10 = -$600.

Example 3: Buying a share CFD with a Trailing Stop

Trailing Stops are a type of Stop Loss 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 prices quoted on the Trading Platform, whereas the Trigger Price of a conventional Stop Loss Order remains fixed. Once a Trailing Stop is triggered, it is treated in exactly the same manner as a conventional Stop Loss 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 Trailing Stop 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 Reference Instrument, as indicated under the instrument details tab for that Reference Instrument on the Trading Platform.

For example, the price quoted on the Trading Platform for a CFD over Company Z shares is $10.20/10.30. Ian buys 1,000 shares as a CFD at $10.30, and sets 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 CFD price starts to rise. Very soon our sell price has risen to $10.55 (25 points above your opening price). The Trigger Price of Ian’s Trailing Stop ‘steps’ up accordingly, by 25 pips to $10.05 to re-establish a 50-pip distance from the new price level.

The rally continues and by late-afternoon Company Z shares CFDs 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 CFD over Company Z’s 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 above the opening price of $10.30.

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

The only difference between a Trailing Stop and a conventional Stop Loss Order is that the level of a Trailing Stop moves positively with the change in prices whereas the level 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 Loss Order.

**Example 4: Buying a Forex CFD with a ‘Trailing Stop’**

The price of EUR/USD CFD is $1.19400/1.19500 (Sell/Buy).

Susie decides to open a buy position for 100,000 units while placing a Trailing Stop at 100 pips (0.00100). This sets a Trailing Stop Order at the Sell rate of $1.19300 (1.19400 - 0.00100). The price of the EUR/USD CFD starts to rise and the sell rate reaches 1.19450. The Trailing Stop order trails the change to 1.19350 (1.19450 - 0.00100).

The price of the EUR/USD CFD continues to rise and the Sell rate reaches 1.19750. The Trailing Stop order automatically adjusts according to the new market price, and changes to 1.19650 (1.19750 - 0.00100).

If the price the EUR/USD CFD suddenly changes direction and falls by 100 pips (i.e to 1.19650, Susie’s Trailing Stop price) or more, Plus500AU will execute the order at 1.19650 if it is applicable, otherwise the position will be closed at the next available rate.

If the position closed at the rate of 1.19650, Susie’s profit is 100,000 × (1.19650 - 1.19500) = €150.

**Example 5: Buying a share CFD with a ‘Limit Order’ - ‘Close at Profit when rate it is’**

A ‘Limit Order’ can be added to your trades when opening a new position/pending order, or when editing an existing position. A ‘Limit Order’ allows you to set a specific rate at which your position will close, in order to protect your profit. A ‘Limit Order’ does not guarantee your position will close at the exact price level you have specified. If the quoted price for the CFD on the Trading Platform suddenly gaps to a price below your stop level, it is possible your position will be closed at the next available price which can be a different price that the one you have set. This is known as ‘slippage’.
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 we were quoting CFDs over shares in Company Q at $15.11/15.15, Ian might give a Limit Order to ‘buy’ at a limit of $19.30. Ian’s Limit Order will be triggered if at any time, inside or outside market hours, our offer quote moves through the level of the Limit Order (in this case $19.30). We will normally accept a Limit Order on any open position.

Guaranteed Stop

A Guaranteed Stop Order is an Order that can be placed (with our agreement) on a new trade when opening a new position, guaranteeing the position will be closed out at exactly the price specified with no risk of slippage.

A Guaranteed Stop Order is available for some products only. If a Guaranteed Stop Order is available, a checkbox will be available for use on the Trading Platform (after you select the ‘Close at Loss’ checkbox.

Attaching a Guaranteed Stop Order puts an absolute limit on a potential loss of a position. However, you should note that a Guaranteed Stop Order is subject to the following additional conditions:

- A Guaranteed Stop Order can be requested only on a new trade and cannot attach to an existing position;
- A Guaranteed Stop Order can be activated/edited only when there is trading and an eligible product is available on the Trading Platform;
- Once a Guaranteed Stop Order is accepted by us it cannot be removed.
- A Guaranteed Stop Order must be placed a minimum distance (as determined by us) away from the current product price being quoted by us;
- As we guarantee your close out price, there is a premium charge when placing the Guaranteed Stop Order. The premium will be shown in the instrument details in the Trading Platform.

Note that this premium charge is non-refundable once activated. The calculation of the Guaranteed Stop Order premium is described in more detail in our FSG under the heading “What fees and commissions are payable to us? which forms part of this PDS.

Example 1 of Guaranteed Stop Order

Opening the position

The Gold CFD price is quoted at $1,259.1/1,259.6 on the Trading Platform, and Ken decides to buy 100 ounces as a CFD at $1,259.6. Ken wants to limit his risk for loss and decides to place a Guaranteed Stop Order at $1,199.2 (note that attaching a Guaranteed Stop Order is applicable only when placing a new trade). Should the market move against Ken, his position would be closed at exactly $1,199.20 even if the market gaps suddenly.
Attaching the Guaranteed Stop Order will incur a Guaranteed Stop Order premium which will be shown before approving the Guaranteed Stop. In this example, assume the Guaranteed Stop Order premium is $25.

**Triggering the Guaranteed Stop Order**

In this example, we will assume that 3 hours later the Gold CFD price suffered a sharp fall to a level of $1,160.5. Ken’s Guaranteed Stop Order is triggered and his position is closed at $1,199.2 even though the gold price gapped straight through this level.

This loss is calculated as: $1,259.6, the opening level, minus $1,199.2, the Guaranteed Stop Order level = $60.4.

$60.4 x 100 ounce = $6,040.

The total loss is calculated as:

- Gross loss on trade: ($6,040)
- Total premium: ($25)
- Overall or total loss: ($6,065)

Without the Guaranteed Stop Order Ken would have lost (1,259.6-1,160.5) x100= $9,910

Please note that for all Orders without a Guaranteed Stop Order, the price you receive at execution is not guaranteed in this manner.

**Example 2 of Guaranteed Stop Order**

**Opening the position**

A CFD over a share in company A is trading at $148/$150 (Sell/Buy) per share. Bianca decides to buy 10 contracts while placing a Guaranteed Stop Order at $130. The Guaranteed Stop Order premium is $10.

**Triggering the Guaranteed Stop Order**

The Company A share CFD drops below $100, but Bianca is guaranteed to close out her position at $130. With a Guaranteed Stop Order on 10 contracts, Bianca’s loss is calculated as follows: 10 × (130 - 150) -10 = -$210.

If Bianca had not entered into a Guaranteed Stop Order, her loss would have been greater (10 × (100 - 150) = -$500).

Please note that for all Orders without a Guaranteed Stop Order, the price you receive at execution is not guaranteed in this manner.
14. Conversion of currency

Your account balance is always denominated in one currency which is in AUD if you are from Australia, or your nominated currency if not an Australian resident. (e.g. NZD for residents of New Zealand)

When you trade we convert the asset currency into your own currency with the rate available in the currency pair in our Trading Platform. When you:

- Close a Position - we will convert the net profit/loss to your Base Currency at the moment the position is closed - until then the position profit/loss is valued by its asset currency.
- Open a Position - we will convert the Initial Margin and Maintenance Margin to your Base Currency at the time when the position is opened.

Example of conversion:
Kerry's balance is 100 AUD. Kerry opens a 500 EUR VodaFone CFD position and makes a net loss of -10 EUR.
VodaFone: Initial Margin 10%, Maintenance Margin 2%
In our Trading Platform a EUR/AUD pair is quoted: 1.2562/1.2572
Initial Margin = 500 EUR × 0.1 × 1.2572 = 62.86 EUR
Maintenance Margin = 500 EUR × 0.02 × 1.2572 = 12.57 EUR
* These margins won't change for this position even if rates change.
Net loss = -10 EUR ×1.2572 = -12.57 AUD
Kerry's new balance: 100 AUD - 12.57 AUD = 87.43 AUD

15. Trading Facilities

We are able to provide CFD trading facilities through our online Trading Platform currently via Desktop Trader, WEB Trader, iPhone APP, iPad App, Android App and Android Tablet App.

We only accept orders through the Trading Platform. Phone and email orders will not be accepted.

16. Significant benefits

The significant benefits of using our services are:

- Hedging
You can use our CFD products to hedge your exposures to the Reference Instruments. For example, you can place a leveraged foreign exchange trade to protect your exposure to the price movements in an underlying currency or bullion price. Any profit or loss you make using the Trading Platform could be offset against the higher or lower price you have to physically pay for the Reference Instrument at a future date.

Example:
AUD/USD 1.2000/1.2004
Robert is based in Australia but has an obligation to pay 12,000 USD for an
eBay item at some time in the future, and he is concerned that the Australian dollar will weaken. To protect against this eventuality, Robert could enter into a CFD by selling a AUD 10,000 AUD/USD position so that he will possibly make a gain to offset his other losses, in the event that the AUD weakens.

Suppose the AUD/USD dropped to 1. Robert would then owe 12,000 AUD for the eBay item (that’s another 2,000 AUD from now).

However, Robert’s Plus500AU CFD position gained a profit of 2,000 AUD, so over all his hedge saved him 2,000 AUD (less the Spread and plus or minus any carrying costs from keeping the position open).

- **Speculation**
  In addition to using our trading facilities as a hedging tool, you can benefit by using the quoted CFD products offered by us to speculate on changing price movements. Speculators seek to make a profit by attempting to predict market moves and buying a product that derives its value from the movement of the Reference Instrument. The examples of CFDs above illustrate trades where a client is entering into a speculative trade, based upon a belief that the market will move in a particular direction.

- **Access to the world markets at any time**
  When using our online Trading Platform, you gain access to and trade on, systems which are updated on a real time basis. You can see the time that a product is open for trading in the instrument details screen in our Trading Platform.

- **Real time streaming quotes**
  Our online Trading Platform contains real time quotes provided by Plus500AU. You may check your accounts and positions in real time and you may enter into CFD trades based on Plus500AU quotes that are based on real-time information.

- **Control over your account and positions**
  When using our trading facilities, we allow you to place loss limits on your trades. This means that if the market moves against you we will close out your position in accordance with your Order. However, please refer to the risk section below, which highlights the risk to you that in a volatile market we may not be able to close out your position until after the stop loss limit is exceeded.

  Similarly, if you have an open Position but are not currently accessing the Trading Platform, you can set a Limit Order in order to protect your profit. However, a Limit Order does not guarantee your Position will close at the exact price level you have specified.

- **Guaranteed Stop Order**
  Attaching a Guaranteed Stop Order puts an absolute limit on a potential loss of a position. Even if the market gaps suddenly, the position will be closed out at exactly the price specified, with no risk of slippage.
Only certain instruments support a “Guaranteed Stop Order”. For a full explanation please refer to the “Managing Risks by using Stops and Limits” section above.

17. Significant risks

There are a number of risks in trading CFDs. These risks may lead to unfavourable financial outcomes for you. Monitoring of any risks associated with our trading facilities 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.

Please see below some of the risks associated with using our CFD trading facilities:

- **Unforeseen Circumstances**

  In unforeseen and extreme situations, Plus500AU reserves the right to suspend the operation of its Website and Trading Platform or any part or sections of them. In such an event, Plus500AU may at its sole discretion (with or without notice), close out your open positions at prices it considers fair and reasonable at such time.

- **Liquidity risk**

  In some circumstances it may difficult or impossible for you to open a position in a CFD (including closing out an existing position) or open a position at the price you wish to trade because of a lack of liquidity in the Reference Instrument. This can happen, for example, when there are not enough trades being made in the market for a Reference Instrument causing a significant change in the price, value or rate of a Reference Instrument over a short period of time or our inability to hedge our own risk. This may give rise to substantial losses, including from being left with an open position you are unable to close.

- **Market volatility**

  Markets for Reference Instruments are subject to many influences which may result in rapid fluctuations. Because of this volatility, there may be circumstances where we may be unable to open a position in a CFD (including closing out an existing position) or open a position at the price you wish to trade.

  Because of this market volatility, there is no CFD transaction or loss limit Order which is available via our Trading Platform that 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 reduce some of the downside risk by the use of loss limit Orders. If you use a loss limit Order we will enter into a position opposite to your existing position if the price reaches a level specified by you in advance.

In a volatile market, however, 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 Stop Loss Order) was placed. This is known as “gapping”. Unless you have placed a Guaranteed Stop Order, we do not guarantee that the Stop Loss 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 refer to the “Managing Risks by using Stops and Limits” section above.

There may also be a time lag between when you seek to open or close a position and when that position is actually opened or closed (“execution risk”). This could result in the position being opened or closed at a worse price than when you sought to open or close the position, especially where the market for the Reference Instrument is volatile or illiquid.

- **Leverage risk**

Trading CFDs involves a high degree of leverage. High levels of leverage could lead to losing your entire balance (initial deposit and profits). You can outlay a relatively small Initial Margin which secures a significantly larger exposure to a 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 make a margin call or automatically close out your position. Please refer to the ‘Margin Call’ and ‘Our Right to force close’ sections in this PDS. Leverage increases the risk that even small adverse movements in the value of the Reference Instrument can lead to losses.

- **Potential loss caused by Spread**

It is possible that you enter into a trade with us and the Reference Instrument 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 and any negative Overnight Funding that applies over the days that a contract is held open.

- **We act as market maker**

Plus500AU is authorised to “make a market” for foreign exchange and derivatives contracts. This means that we set our own prices for the products we offer. Although the prices generated by the Trading 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 a Reference Instrument may diverge significantly
from any current exchange or market price, or a competitor’s price, for that Reference Instrument.

In addition, as we are the counterparty to every CFD if the market moves against you, we directly benefit from that trade.

- **Cryptocurrencies trading risk**

Trading CFDs on Cryptocurrencies such as Bitcoin and Litecoin, carries a high level of risk and may not be suitable for all traders. Before deciding to trade CFDs on Cryptocurrencies you should carefully consider your trading objectives, level of experience and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial deposit and trading profits and therefore you should not trade with money that you cannot afford to lose. You should be aware and carefully consider whether such trading is appropriate for you and seek advice from an independent financial advisor if you have any doubts.

- **Counterparty risk**

You are dealing with us as a counterparty to every transaction. You should therefore carefully evaluate any trade information you receive from us, or from any referred financial institution.

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.

The products in this PDS are not protected by a licensed exchange, also known as a central counterparty. Instead, the products are called over-the-counter derivatives. 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. In such a scenario, you may become an unsecured creditor. You can assess our financial ability to meet these counterparty obligations to you by reviewing financial information about our company. You can obtain a free copy of our annual financial statements by contacting us using the details at the start of this PDS.

We may choose to limit our exposure to our clients by entering into matching transactions with hedging counterparties as principal in the wholesale market. We are then exposed to counterparty risk with that hedging party. That is, 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 underlying assets and will become an unsecured creditor of the hedging counterparty. This may affect our ability to perform our obligations to you.

Although we are the counterparty to each of your transactions, we may limit our risk by immediately hedging (offsetting) your Transactions with another transaction that we enter with a Financial Institution. We are compensated by marking up the price we receive from the Financial Institution when we quote or prices on our Trading platform.
ASIC Benchmark 3 - Counterparty Risk-Hedging

We have adopted a policy in order to manage counterparty risk.

We typically limit our exposure to clients by entering into matching transactions with hedging counterparties as principal. Our hedging Counterparty is our parent company, Plus500 Ltd. Plus500 Ltd. is incorporated in Israel and listed on the AIM section of the London Stock Exchange. Plus500 Ltd. is not presently authorised or licensed to provide financial services. It has licensed subsidiaries in various jurisdictions including Australia.

Plus500AU may use other hedging counterparties depending on lack of liquidity, Force Majeure or other circumstances affecting or potentially affecting reliability of liquidity. If other hedging counterparties are engaged, Plus500AU will comply with its hedging policy, available on the Website.

Providers will be chosen based on their ability to provide liquidity, the strength of their balance sheet, credit rating, compliance arrangements as well as fees and costs involved. We can provide a written hedging policy to clients and prospective clients upon request. This policy is reviewed regularly.

ASIC Benchmark 4 - Financial Resources

We have a written policy to maintain adequate financial resources, which sets out how we monitor compliance with our financial requirements, as well as how we conduct stress testing to ensure we hold sufficient liquid funds to withstand significant adverse market movements. In practice, financial resources requirements are monitored and reported internally on a daily basis.

Further compliance oversight is conducted quarterly and an external audit is conducted annually.
You should satisfy yourself that we are able to meet our obligations to you. You can assess our ability to meet our financial obligations by reviewing our annual financial statements which you can obtain for free by contacting us by using the details at the start of this PDS.

- **Systems Risks and Access to our Website**

  We rely on technology to provide our Trading Platform to you. A disruption to the facility may mean you are unable to trade in any of the products offered by us when you want to and you may suffer loss as a result. Alternatively, an existing transaction may be aborted as a result of a technology failure. An example of disruption includes the “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.

  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 Trading Platform, it may mean you are unable to trade in any product offered by us when desired and you may suffer a loss as a result.

  We reserve the right to suspend the operation of our website and online facility or any part or sections of them. In such an event, we may, at our sole discretion (with or without notice), close out your open positions at prices we consider fair and reasonable.

- **Cyber security risks**

  Cyber security risks are nowadays a major threat to businesses around the world. Like any online business we cannot guarantee against third party interference to our Trading Platform. This means that you may be exposed to issues arising from any third-party interference which may occur e.g. unauthorised access to our or your IT systems or devices, data breaches, business interruption and, in the worst-case scenario, financial loss in the event that your trading account is accessed by a third party. Plus500AU takes this risk seriously and manages it by engaging reputable Cyber Security providers, ongoing monitoring of the IT systems and backup measures. You can limit your risk by ensuring that you have up-to-date virus protection software for the devices that you use to access our trading service and ensuring that your passwords are kept confidential and secure.
• **Fees and charges**

It is possible that you enter into a trade with us and the underlying currency rate or asset price moves in your intended direction, but you still end up with less than you started after closing your position. This can happen because of the combined effect of the Spread and any Overnight Funding which could apply on consecutive days that a contract is held open.

• **Suspension or trading halt of the underlying CFDs**

Trading on our Trading Platform may be affected by the suspension or closure of any exchange on which 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 heading Our right to Force Close section of this PDS) and/or demand additional payment from you as margin (see heading “Maintaining your Position” in this PDS).

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**ASIC Benchmark 6 - Suspended or halted underlying Reference Instruments**

*In the event of a Reference Instrument being suspended or is expired, we have discretion to close out positions on the last price. Also, we do not allow new positions to be opened when there is a trading halt over the Reference Instrument, or where trading in the Reference Instrument has otherwise been suspended in accordance with the rules of the relevant market upon which the Reference Instrument is listed.*

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• **Your trades can be closed automatically**

If prices move against your position, you may be required to make immediate payments to top up your account with sufficient funds to maintain your position. 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. You could sustain a total loss of your account Balance (including the net amount that you deposit with Plus500AU to establish or maintain a position (including “top up” amounts) and any profits).
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.

- **Opportunity cost**

  Once you have locked in your price you will not be able to take advantage of subsequent favourable rate/price movements (should that occur) in relation to your existing position. On the other hand, you will be protected from any future adverse movements.

- **Not a regulated exchange**

  The products offered by Plus500AU are OTC products and are not traded on a regulated exchange. This means they are not covered by the protections for exchange-traded products arising from domestic or international exchange rules (such as guarantee or compensation funds). Consequently, should we become insolvent, there is no guarantee that your account will maintain its value.

- **Plus500AU’s rights to Force Close**

  The Client Agreement entitles Plus500AU to close your open positions at the price being quoted to you on the Trading Platform, without prior notice in a range of circumstances. Some of these circumstances are set out in section 19 of this PDS. You should read section 19 of this PDS and the Client Agreement carefully.

- **Volume limits**

  As a risk management tool and at our sole discretion, we may impose volume limits on; individual client accounts, individual products, the size of positions and access to products.

- **Information on the Website and Trading Platform**

  Financial data, prices and other information is available to you on the Website and on the Trading Platform (Content). The Content is provided as general market commentary and does not constitute Personal Advice. The Content is subject to change at any time without Notice. Plus500AU is not liable or any loss or damage or loss of profit that may arise directly or indirectly from your use or reliance on the Content.

### 18. Expiry and Rollover

Several CFD products, such as Options CFDs and Cryptocurrency CFDs, have set expiry dates. You can see this information on the product’s details on the Trading Platform. Once this expiry date is reached, all positions open on that product will be closed at the last rate before the expiry.

For Cryptocurrency CFDs, when the expiry date is reached, all open positions for that Cryptocurrency CFD are closed. Before opening a Cryptocurrency CFD position you should make sure you are aware of whether or not the contract expires and, if it does expire, what the expiry date is. Taking this into account, your open position
will close when: (1) you choose to exit the product by closing the position; or (2) in the event you do not have available margin; or (3) with certain cryptocurrency CFDs, when the contract expires. You should monitor the Cryptocurrency CFD to determine when the appropriate time is to exit and, if applicable, when it expires. You can close your position(s) at any time during market hours, which are displayed in the “Details” link in the main screen of the trading platform.

For CFD products based on futures contracts (such as indices and most commodities), positions will be automatically rolled over (carried forward) to the next contract when the current contract expires. Plus500AU will adjust the difference in price between the 2 contracts. The date and time of the rollover is shown on each product’s details section on the Trading Platform.

If the new contract is trading at a premium to the expiring contract (higher price), long (buy) positions will receive a negative adjustment, and short (sell) positions will receive a positive adjustment. However, if the new contract is trading at a discount to the expiring contract, long (buy) positions will receive a positive adjustment, and short (sell) positions will receive a negative adjustment.

In addition, positions will be charged a Spread at the time of rollover.

Open positions will be rolled over indefinitely until you decide to close them (subject to your compliance with margin obligations and our rights to close out positions).

**Example of rollover adjustment calculation:**

David holds a long (buy) position of 100 contracts of Oil.

**Oil contract rates at the time of rollover:**

- Existing contract buy rate = $45.30
- Existing contract sell rate = $45.25
- New contract buy rate = $46.50
- New contract sell rate = $46.45

**Adjustments calculation:**

- Buy Rate Difference = [New contract sell rate] - [Existing contract sell rate] = $46.45 - $45.25 = $1.2
- Buy Value Adjustment = - ([Amount of Contracts] × [Buy Rate Difference]) = - (100 × $1.2) = - $120
- Spread Adjustment = [Amount of Contracts] × [New Contract Spread] = 100 × ($46.50-$46.45$) = $5
- Buy Total Adjustment = [Buy Value Adjustment] - [Spread Adjustment] = - $120 - $5 = - $125

**Summary:**

- David will continue to hold the same position of 100 contracts of Oil.
- David will get an adjustment of -$125.
- David’s Equity remains the same excluding the $5 spread.

**Calculating the above example for a Sell position:**

- Sell Rate Difference = [New contract buy rate] - [Existing contract buy rate] = $46.50 - $45.30 = $1.2
Sell Value Adjustment = [Amount of Contracts] × [Buy Rate Difference] = (100 × $1.2) = $120
Spread Adjustment = [Amount of Contracts] × [New Contract Spread] = 100 × (46.50$ - 46.45$) = $5
Sell Total Adjustment = [Buy Value Adjustment] - [Spread Adjustment] = $120 - $5 = - $115

Summary:
David will continue to hold the same position of 100 contracts of Oil.
David will get an adjustment of $115.
David’s Equity remains the same excluding the $5 spread.

19. Our Right to Force Close

Under the Client Agreement, we have the right to close your open positions at the price being quoted on the Trading 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 volatile or there are abnormal trading conditions; or
- we become aware of any illegal activity or inaccuracy in the information provided to us as part of the account opening process; 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 CFD products in respect of which we deal on the Trading Platform. For the avoidance of doubt, such an event may include an excessive or rapid movement in the price, value or level of any Reference Instrument, or the suspension of trading of any Reference Instrument, or our anticipation (acting reasonably) of the occurrence of any such event; or
- a transaction contains or is based on a Manifest Error;
- We become aware of, in our reasonable opinion, that Market Abuse has occurred; or
- We become aware of conduct which results in Unacceptable Trading Circumstances i.e. conduct which affects the integrity or effective functioning of the Trading Platform or Plus500AU’s market for CFDs.
Under the Client Agreement, we also have the right to void from the outset any transaction containing or based on any Manifest Error or where we become aware, in our reasonable opinion, that Market Abuse has occurred or conduct results in Unacceptable Trading Circumstances.

You should read the Client Agreement carefully.

20. The costs in using our products

Please refer to our current FSG for a description of how PLUS500AU, its employees and related parties are paid, and for information about the Spread, conversion costs, administrative charges, Overnight Funding and inactivity fees that may be payable in relation to the products described in this PDS. You can find this information (with worked examples) in the current FSG which is available on our Website. You can download or obtain a free hard copy of the FSG by contacting us using the details at the start of this PDS.

21. How do we handle your money?

The funds in your account will be held in a designated trust account until you enter a trade, withdraw your funds or we are otherwise permitted to use the funds.

Funds deposited by our clients are segregated from our money and held in a pooled trust account where required by Australian law.

ASIC Benchmark 5 - Client Money

This section explains our client money policy, including how we deal with your money and when we make withdrawals from your account. It also mentions the counterparty risk associated with the use of your money. Any money you transfer to us will be classified as Client Money and held by us on trust for you and administered by us in accordance with the provisions of the Corporations Act. All client money is held in segregated client bank accounts with an Australian ADI.

If you are a Retail Client or a Sophisticated Investor, we cannot use your client money for our own capital purposes, or to hedge with our liquidity providers. We use our own funds, and we may use Wholesale Client funds (other than
Sophisticated Investor funds for these purposes, subject to our User Agreement.

These accounts hold Client Money separately from money belonging to the business.

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). Individual client accounts are not separated from each other but are pooled together. The 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 open positions, outstanding fees owed to us or in such other circumstances as referred to in the User Agreement, which is set out on our Website.

All account withdrawal requests, except withdrawals via bank transfer, are subject to a minimum withdrawal amount, which is the lesser of $50USD (or equivalent), or your Available Balance. The minimum withdrawal amount for bank transfers is the lesser of $100USD (or equivalent), or your Available Balance.

Example
If you close a position and incur a loss, your account balance will be debited in real time.

Example
If you hold a position after a certain time, and you are charged Overnight Funding, then that money is deducted from your Equity on a real time basis. Please read above descriptions of account balances.

There is also a counterparty risk that you may lose some or all of your money if there is a deficiency in the designated segregated account. See the section above titled “Significant Risks” for more information concerning counterparty risk.

22. User Agreement

Plus500AU’s User Agreement is set out on our Website: www.Plus500.com.au and must be read and agreed to before a contract is entered into. If you are outside Australia, there may be other terms and conditions you will be required to sign or acknowledge.

When you use our services you will be bound by our User Agreement as amended from time to time, along with any other terms you are required to sign or acknowledge (for example, if you are outside of Australia). However, in the event
of inconsistency, the terms in the legal documents described below will rank according to the following priority, to the extent of any inconsistency:

- This PDS
- Any supplementary PDS
- User Agreement as amended from time to time
- Account Opening Form

The information in this PDS is subject to change from time to time and is up to date as at the date stated at the start of this PDS.

Information in this PDS that is not materially adverse to users of our products is subject to change and may be updated via our Website. You can access that information by visiting the Website, or emailing us and asking for an electronic or paper copy. You can also access the Website which may contain, from time to time, other information about our products.

There is no cooling off period for any product offered by us. Once you have deposited funds into your account AND initiated a trade, you are no longer entitled to a refund unless you close the trade. In that case, you are only entitled to the remaining balance of the account after realising a profit or loss on the trade.

You must provide all information to us which we reasonably require of you to comply with any law in Australia or any other country. In particular, you must provide adequate identification before you can use our products or services. We may delay, block or refuse to enter, adjust or complete a transaction if we believe on reasonable grounds that making the payment may breach any law in Australia or any other country, and we will incur no liability if it does so. We may disclose any information that you provide to a relevant authority where required by any law in Australia or any other country.

When you use our services, you are promising that you will not breach any law in Australia or any other country.

23. Tax implications

CFD transactions can create tax implications. Generally, if you make a gain attributable to an exchange rate or price fluctuation then that part of the gain is included in your assessable income. Conversely, if you make a loss attributable to an exchange rate or price fluctuation then that part of the loss is deducted from your assessable income. However, the taxation laws are complex and vary depending on your personal circumstance, the purpose of your trading and the relevant jurisdiction. Accordingly, you should discuss any taxation questions you may have with your tax adviser before using our products or services.

24. What are our different roles?

PLUS500AU is the product issuer. This means that we issue the products described in this document, and do not act on behalf of anyone else.
PLUS500AU is also the service provider. Our Website (and at times, our Representatives) can give you general advice and help you use the trading services. Some services are provided through our parent company, PLUS500 Limited.

25. What should you do if you have a complaint?

In the event you have a complaint about us, you can contact us and discuss your complaint. If you are overseas, we may refer you to an overseas dispute resolution body, which gives you rights in addition to your rights in Australia.

If your complaint is not satisfactorily resolved within 45 days, please contact us using the contact details at the start of this PDS.

We will try and resolve your complaint quickly, fairly and within prescribed time frames.

If the complaint cannot be resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

AFCA website: www.afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678 (free call) or +61 1800 931 678 (if you are outside Australia)
In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

26. How to enter into a User Agreement

You can enter into a User Agreement with us by filling 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 (‘User Agreement’).

Another pre-condition is that you meet our client qualification criteria. We will use the information that you provide to assess whether trading on our Trading Platform is suitable for you, taking into account your knowledge, experience and level of understanding of CFDs. However, we will not use this information to tailor recommendations to you as we do not provide personal advice. Once you are registered, you will be able to login online to your Trading Account using your username and password.

Before applying to open a Trading Account with us, you should read this PDS, the FSG and the User Agreement carefully, and obtain independent financial, taxation and other professional advice.
27. Glossary

- ASX refers to the Australian Securities Exchange
- AUD refers to the Australian dollar
- Base Currency refers to the currency in which your trading account is denominated, and also refers to the currency on the left of a quoted trading pair. Any profit or loss on a trade is converted into the Base Currency. See Step 3 of Section 3 of this PDS for an example.
- EUR refers to the euro - the official currency of the European Union.
- ETF refers to an exchange traded managed investment fund.
- Ex-dividend Date is usually the business day before the company declares the current dividend.
- Forced Liquidation is described in Section 6 of this PDS.
- FSG refers to the Financial Services Guide issued by us.
- FX means Foreign Exchange
- Guaranteed Stop Order means an order that puts an absolute limit on a potential loss of a position
- Initial Margin is the initial deposit required by you before you can trade with us.
- Limit Orders means an order that allows you to set a specific rate at which your position will close, in order to protect your profit. A Limit Order does not guarantee your position will close at the exact price level you have specified.
- Maintenance Margin is the amount required to be kept in collateral until a position is closed.
- Market Abuse means any usage of any trading method which is based on a manipulation of the Trading Platform and expressly includes:
  - Scalping,
  - use of an automated data entry system when trading with us,
  - entering into transactions (or combination of transactions such as holding long and short positions) held with different entities within the Plus500 group of companies in the same or similar instruments at similar times, and
  - any conduct prohibited by the Corporations Act 2001.
- Manifest Error means any error that we reasonably believe to be obvious or palpable, including without limitation, offers to execute transactions for exaggerated volumes of Instruments or at manifestly incorrect market price quotes or prices at a clear loss
- Orders means Stop Loss Orders, Trailing Stop Orders and Limit Orders.
- Overnight Funding means the costs that are calculated daily on your overnight positions by applying the applicable interest rate at the time of opening the position to the opening value of the position.
- PDS means Product Disclosure Statement.
- Reference Instrument is the underlying instrument (e.g. shares, indices, ETFs, foreign exchange rates, commodity prices or other financial instrument) listed on the Trading Platform.
- Retail Client has the same meaning as in section 761G of the Corporations Act 2001 (Cth).
- Scalping means a trading strategy based on the notion that a significant portion of your transactions are opened and closed within two (2) minutes in order to accumulate quick profits from small price changes.
• **Sophisticated Investor** means a person who meets the definition of section 761GA of the Corporations Act 2001 (Cth).
• **Spread** is the difference between the bid and offer prices that we source from other clients or from our wholesale providers, and the bid and offer prices we quote to you. The calculation of the Spread is described in more detail in our FSG under the heading “What fees and commissions are payable to us?” which forms part of this PDS.
• **Stop Loss Orders** means an order that allows you set a specific price at which your position will close in order to minimise your loss. A Stop Loss Order does not guarantee your position will close at the exact price level you have specified.
• **Trading Platform** means our online Trading Platform accessed through the Website.
• **Trailing Stop Orders** means an order that tracks your positions automatically, and closes your position once the price of the relevant CFD reaches or exceeds a certain price that you have selected, should the market move against you.
• **User Agreement** refers to the terms and conditions that you are required to agree to before you can use the products described in this PDS. They are incorporated by reference into the PDS. You can obtain a free copy of this document by contacting us using the details at the start of this PDS.
• **USD** refers to the United States dollar.
• **Website** means Plus500.com.au.
• **Wholesale Client** has the same meaning as in section 761G of the Corporations Act 2001 (Cth).
Plus500AU Pty Ltd, ACN 153 301 681, AFSL Number 417727, is the issuer and seller of the financial products described or available on this website. Download a PDS for more information. You should consider it before making a decision to acquire or continue to hold our products. Any advice provided is general in nature only and it doesn’t consider your objectives, financial situation or needs. Trading with us involves risks - Click here to see our full risk warning. Our AFSL (417727) authorises us to provide our services to people in Australia.