FX and Metal Contracts

Synergy Financial Markets Pty Ltd

ABN 80 150 565 781

AFS Licence No. 403863

PRODUCT DISCLOSURE STATEMENT

FX AND METAL CONTRACTS

Issue Date 15th September 2013

Version Number 3 (last reviewed on 29 June 2017)

Table of Contents

1. Important Information

Notes and Disclaimer

This Product Disclosure Statement ("PDS") is dated 15th September 2013 and was prepared by Synergy Financial Markets Pty Ltd ABN 80 150 565 781; AFSL 403863 ("Synergy", "we", "our", "us"), as the issuer of its over-the-counter foreign exchange and Metal Transactions which are Margin products ("Contracts" or "FX and Metal Contracts") referred to in this PDS.

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

This PDS describes the key features of our FX and Metal Contracts, their benefits, risks, the costs and fees of trading in our FX and Metal Contracts and other related information. FX and Metal Contracts are sophisticated financial products so you should read this PDS and the Terms and Conditions in full before making any decision to invest in them.
Some expressions used in this PDS have definitions given in the Glossary at the end of this PDS.

FX and Metal Contracts

The Contracts covered by this PDS are those traded on the Synergy Trader Platform. FX and Metal Contracts are derivative products issued by Synergy and are not exchange traded products.

Your Potential Liability

Please read the Key Features in Section 5 and the Significant Risks in Sections 7 and 8 for important information about your potential liability.

Potential investors should understand and accept the risks of investing in our FX and Metal Contracts.

Your potential liability is not limited to the amount you pay Synergy or we hold on trust for you. We may ask you to pay amounts in excess of those amounts to cover any shortfall. Your liability on short or long Contracts can be unlimited. You should carefully consider the risks of our FX and Metal Contracts and your capacity to meet your liability before investing in our Contracts.

This initial warning cannot set out and duplicate all of the important information in this PDS. You should read this PDS and the Terms and Conditions in their entirety before making a decision to acquire and deal in financial products covered by this PDS. We recommend that you contact us if you have any questions arising from this PDS or the Terms and Conditions prior to entering into any Transactions with us.

Synergy recommends that you consult your advisor or obtain independent advice before trading.

General Advice

This PDS does not constitute a recommendation or opinion that our products are appropriate for you.

The information in this PDS is general only and does not take into account your personal objectives, financial situation and needs.

Your Suitability to Trade FX and Metal Contracts

If we ask you for your personal information to assess your suitability to trade FX and Metal Contracts and we accept your application to trade FX and Metal Contracts, this is not personal advice or any other advice to you. You must not rely on our assessment of your suitability since it is based on the information you provide and the assessment is only for our purposes of deciding whether to open an Account for you. You may not later claim you are not responsible for your losses merely because we have opened an Account for you. You remain solely responsible for your own assessments of the features and risks and seeking your own advice on whether FX and Metal Contracts are suitable for you.

Currency of PDS

The information in this PDS is up to date at the time it was prepared but is subject to change at any time. A copy of this PDS and the Terms and Conditions can be requested from Synergy and provided to you free of charge. If the new information is information which is materially adverse to you, we will issue either a new PDS or a supplementary PDS containing the new information.

How to Contact Us:
If you have any questions, please contact Synergy as follows:

Synergy Financial Markets Pty Ltd
Address: Level 27, 25 Bligh Street,
Sydney, NSW. 2000. Australia
Phone: 02 8274 2600
Email: Accounts@SynergyFinancialMarkets.com.au
Web: synergyfinancialmarkets.com.au

Anti-Money Laundering Laws

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

Treatment of Overseas Applicants

The offer to which this PDS relates is available to persons receiving the PDS (electronically or otherwise) in Australia, who are Australian residents and who provide an Australian address for service when making their application. Applicants residing in countries outside Australia should consult their professional advisers as to whether any Governmental or other consents are required, or whether any other formalities need to be observed to enable them to open an Account. Failure to comply with the applicable restrictions may constitute a violation of laws in countries outside Australia.

Restrictions on the Distribution of Documentation

Distribution of this PDS outside Australia may be restricted by law. This PDS is not intended to, and does not constitute an offer of securities or recommendation to trade in Contracts at any place which, or to any person to whom, the making of such offer would not be lawful under the laws of that jurisdiction.

Applications

If you wish to apply for a FX and Metal Contracts Account you must complete the online Synergy Application Form agreeing to the information held in this PDS.

2. How To Trade

Your Account

You need to establish your Account by completing Synergy's Account Application Form. Once your application has been accepted by Synergy, your Account will be opened. Your Account covers all of the services and products which you apply for in your Application Form and which are accepted by Synergy.

Your trading in Synergy FX and Metal Contracts is conducted through your Account on the trading platform, Synergy Trader Platform.

The legal terms governing your Account and your dealing in our products are set out in the Terms and Conditions. By opening an Account, you agree to the Terms and Conditions.

Opening a Contract

The particular terms of each Contract are agreed between you and Synergy before entering into the Transaction.

Before you enter into a Contract, Synergy will require you to have sufficient Account Value (as defined in the Glossary in Section 18) to satisfy the Initial Margin requirements for the relevant number of Contracts. The payments you make to Synergy are applied as either Margin or the fees and charges and the amount net of those fees and charges is credited to your Account. The fees and charges for transacting with Synergy are set out in this PDS.

When you Close Out a position, you are entering into a new position opposite to your Open Position. You are liable for the costs, fees and charges as described in this PDS (see Section 11). You should be aware that your investment might suffer a loss, depending on the mark-to-market value of your Contract at the time of Close Out compared with the total cost of your investment up to the time of Close Out.

Closing a Position

FX and Metal Contract positions generally do not have an expiry date. They remain open until they are Closed Out. With most FX and Metal Contracts you can hold the position for as long as you like. This may be for less than a day, or for months.

To close a "bought" or "long" position you sell, and to close a "short" or "sold" position you buy.

In order to provide the FX and Metal Contracts to you in an efficient and low-cost manner, Synergy has discretion in determining closing prices. In general, without limiting Synergy's discretion, it should be expected that Synergy will act reasonably and have regard to a range of relevant factors at the time, such as the value of any hedge contract taken by Synergy to hedge its products issued to you, the closing price of the Underlying Product for the Contract, any foreign currency exchange rates which are relevant due to the denomination of the position or Accounts and any suspension or halt in trading of the Underlying Product.

Synergy also has the right to decide to make an adjustment in any circumstance if Synergy considers an adjustment is appropriate. Synergy has a discretion to determine the extent of the adjustment so as to place the parties substantially in the same economic position they would have been in had the adjustment event not occurred.

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

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

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

Long and Short Positions

A FX or Metal Contract position is opened by buying a FX or Metal Contract, corresponding with either buying (going long) or selling (going short) on the Underlying Product.

You go "long" when you buy a Contract corresponding with buying the Underlying Product in the expectation that the price of the Underlying Product to which the Contract is referable will increase, which would have the effect that the price of the Contract would increase.

You go "short" when you buy a Contract corresponding with selling the Underlying Product in the expectation that the price of the Underlying Product to which the Contract is referable will decrease, which would have the effect that the price of the Contract will decline.

Dealing

Quotes for prices for dealing in our Contracts are indicative only and so are subject to the actual price at the time of execution of your Contract.

There is no assurance that the position will actually be dealt with at the indicative quote.

Quotes can only be given and Transactions made during the open market hours of the relevant market on which the Underlying Products are traded.

Synergy may at any time at its sole discretion without prior notice impose limits on our Contracts in respect of particular Underlying Products. Ordinarily, Synergy would only do this in the following circumstances:

- if the market for the particular Underlying Product has become illiquid; or
- trading in the Underlying Product has been suspended; or
- there is some significant disruption to the markets, including trading facilities.

You should be aware that the market prices and other market data which you view through Synergy's Trader Platform or other facilities which you arrange yourself may not be current or may not exactly correspond with the prices for our Contracts offered or dealt by Synergy.

If you access your Account and the Synergy Trader Platform outside of the hours when Orders may be accepted, you should be aware that the Orders may be processed at a later time when the relevant market is open to trading, by which time the market prices (and currency exchange values) might have changed significantly.

Pricing - Bid/Offer Spread

Synergy quotes a lower price and a higher price at which you can place your Order. This is referred to as the bid/offer spread. The higher quoted price is the indication of the price at which you can buy the Contract. The lower quoted price is the indication of the price at which at which you can sell the Contract.

Synergy may hedge Contracts at or around the same time as we issue the Contract to you by entering into a Contract with its Hedging Counterparty. The Contract may be with a Hedging Counterparty who may choose to hedge directly into the interbank market or it may make a market in its pricing to Synergy, depending on the market for the Underlying Product and the market hours.

Synergy's bid/offer prices are based on the corresponding prices offered by the Hedging Counterparty to Synergy and these prices may not be the same as those quoted for the Underlying Product in the relevant market.

Synergy aims to give competitive pricing but please be aware that Synergy does not act as your agent to find you the best prices.

When your Order is executed, for you to break even or realise a profit, putting aside for the sake of simple illustration any fees or charges, the price at which you exit your position needs to be at least equal to the original bid or offer price that you started the position (depending on whether you went long or short); if you trade at the offer, the price needs to reach the bid and vice versa.

When you receive a quote for a Contract by Synergy, it is made by reference to the price or value of the Underlying Product in the relevant market. This price or value may differ from the price or value of the Underlying Product for various reasons, for example, an additional spread is applied to the pricing offered by Synergy.

For example, if an FX Contract is quoted on the interbank market as 1.44093/1.44097, then the price Synergy will quote for the FX Contract could be as wide as 1.44065/1.44125 or even wider.

Please remember that Synergy is acting as principal when transacting with you, and is not acting as your broker to find you the best possible price.

Synergy Trader Platform

Your Account gives you access to Synergy Trader Platform, which is a multi-product multi-currency on-line trading platform. At the discretion of Synergy, Contracts traded through Synergy Trader Platform may be hedged with Synergy's Hedging Counterparty (described in "Hedging Counterparty Risk" in Sections 7 and 8).

Synergy provides practice Accounts known as "demo" Accounts which conduct simulated trading. This enables you to become familiar with the Synergy Trader Platform attributes.

Confirmations of Transactions

If you transact in our Contracts, the confirmation of that Transaction, as required by the Corporations Act, may be obtained by accessing the daily statement online.

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

3. Margin

Synergy's Margin policy

Synergy applies the following main Margin principles:

- Each Client is required to pay a minimum required amount of Margin ("Initial Margin") before issuance of a Contract. The Initial Margin is determined by Synergy based on a number of factors, including the market price of the Underlying Product, the Margin required to hedge the Underlying Product, the Margin which Synergy is required to pay its Hedging Counterparty and Synergy's risk assessment of the Client, and any unrealised loss on your Account at any point in time.

- Each Client is required to pay Initial Margin in order to minimise credit risk to Synergy and therefore benefit all other Clients.

- If you do not answer the telephone on the number you give us, or you do not read the emailed Margin Call which was sent to the email address you gave us, you remain liable to meet the Margin Call. That is why you need to be contactable 24 hours a day, while the Underlying Products are trading on the relevant markets.

- This obligation is in addition to your obligation to maintain the Initial Margin.

- There is no limit as to when you need to meet Margin Calls, how often you may be called or the amount of the Margin Calls.

- The timing and amount of each Margin Call will depend on movements in the market price of the Underlying Product for the position which you choose and the things that affect the market price of the Underlying Product and changes to the Account Value.

- Each Client is required to pay the Initial Margin even if Synergy pays less to its Hedging Counterparty. This is to minimise the risk of any one Client benefiting from other Clients' Contract trading.

- Each Client's Account is promptly adjusted for Margin requirements according to market movement so that no Client is benefited from other Clients' Synergy trading. This could occur if, for example, the Client's Margin requirements are not adjusted in line with market changes or the credit risk on the Client.

- Each Client is required to pay Margin Calls promptly and that is managed within the requirements of the Margin policy, so that no Client receives any substantial benefit or waiver which imprudently jeopardises Synergy and therefore increases the risks of other Clients to Synergy.

- The total amount of Margin required of, and paid by, Clients trading in FX and Metal Contracts is more than Synergy is required to pay its Contract Hedging Counterparty, with the surplus being retained for managing Synergy's dealings with all Clients who use Synergy Trader Platform, including for making Synergy's hedge contracts for Clients' positions and for paying Clients of Synergy the amounts to which they are entitled. This enhances the liquidity of Synergy to meet its own Margin calls by having readily available funds and protecting those funds from other uses within Synergy.

Margin Calls

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

- Margin Calls are payable immediately and more than one Margin Call may be made on the one day including at weekends or outside of local business hours.

- You have an obligation to meet the Margin Call even if Synergy cannot successfully contact you.

- You have a risk of the position being Closed Out if you do not meet the requirement to meet a Margin Call.

When you hold our Contracts, you are obliged to maintain at all times the minimum Margin for all of the positions.

- It is your obligation to monitor the minimum amount of Margin required for your Account.

- It is your obligation to maintain the minimum Margin at all times for so long as you have an Open Position in an FX or Metal Contract which is ensuring the Margin Cover amount is positive at all times.

- Synergy is not obliged to notify you about the amount of your Margin Cover, though we may do so by email, telephone call or otherwise, as a courtesy.

- You have a risk of the position being Closed Out if you do not have in your Account sufficient Margin credited to it, regardless of whether you have checked your Account's requirement for minimum Margin or whether you have tried to make a payment but it has not been credited to your Account.

Paying Margin

As explained earlier in this PDS, you must pay the Initial Margin before the Contracts are issued to you. You must then maintain the minimum amount of Margin required by us. You will also be required to meet any Margin Calls.
To pay Margin you must first deposit the funds into the Synergy Client moneys trust account. The funds are then withdrawn and paid to Synergy.

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

How is Margin Calculated?

Synergy sets the amount of the Initial Margin and, at any later time, may require more Margin to maintain the required amount of Margin.

The minimum Initial Margin will be set by Synergy and calculated as a percentage of the full face value at the current market price (market exposure) of the Contract.

Owing to the volatility of the market, the amount of required Margin may change after a position has been opened, requiring a further payment because your Initial Margin has become insufficient. Margin amounts are calculated to cover the maximum expected movement in the market at any time but will change when the market changes, so the calculation might not cover all market movements and since those Margin requirements can change rapidly and continuously, you need to ensure your Margin Cover is positive at all times otherwise you risk some or all of your positions being automatically Closed Out.

Here is an example of calculating Margin Cover:

You deposit $10,000 into the Synergy Client moneys trust account in order for your Account to be credited with $10,000. You enter into a position and Synergy requires you to pay Initial Margin of $8,000. A short time later, there are fluctuations in the market such that your unrealised loss on your Account is $2,000. As a result, your Margin Cover is fully utilised and therefore you have no capacity to enter into further Transactions (except to Close your Open Position) and you are at risk of being Closed Out if there are further adverse movements in the pricing.

Under the Terms and Conditions, your obligation to pay Margin arises from the time you have an Open Position. If the market moves so as to increase the minimum Margin requirements, or Synergy increases the minimum Margin requirement, you immediately owe the increased amount of the Margin Cover, regardless of if or when we contact you to pay more Margin. Your obligation to maintain the minimum required Margin remains at all times, whether or not we contact you and whether or not you log into your Account.

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

The values of your positions are ordinarily marked to market on a continuous basis, which automatically leads to corresponding changes in Margin requirements for your Account. However, at weekends or at other times when trading on the underlying market relevant to the Underlying Product is closed, some Margin requirements automatically increase.

Your Margin Defaults

If you do not ensure that you maintain the required level of Margin or meet your obligation to pay Margin Calls (even those requiring immediate payment), all of your positions (not just the FX positions) may be Closed Out and the resulting realised loss deducted from any proceeds. Any losses resulting from Closing Out your Open Positions will be debited to your Account(s) and you may be required to provide additional funds to Synergy to cover any shortfall. If you do not comply with your obligations, all of your Open Positions can be Closed Out automatically.

It is your responsibility to pay your Margin and meet Margin Call payments on time and in cleared funds, so please keep in mind the possibility of delays in the banking and payments systems. If your payment is not credited to Synergy by the time you are required to have the necessary Margin or meet the Margin Call, you could lose some or all of your positions. You should maintain a prudent level of Margin and make payments in sufficient time to be credited to your Account. Please see details of Margin risk in Section 8.

Synergy allows you to make payment in a number of ways. Since those payment details may be unique to you, please contact your Synergy representative for arranging your payment.

Margin Cover Surplus Requirements

If you have excess Margin, i.e., the Margin Cover amount is positive, you may request payment of an amount not exceeding the Free Balance. Synergy will determine if this is permissible and if so, we will arrange for the permitted amount to be paid into your nominated bank account.

Close Out and Return of Surplus Funds

If you Close Out the Contract, realising a gain and your Account has a net credit balance above any remaining minimum required Margin you may request payment of the Free Balance.

Synergy will determine if that is permissible and if so it will arrange for the permitted amount to be paid into your nominated bank account.

Valuation

During the term of our Contracts, Synergy will determine the value of your Account, based on the value of the Contracts in your Account. The value of your positions is ordinarily adjusted on a continuous basis, reflecting the values being marked to market on a continuous basis when the market for the relevant Underlying Product is open.

If trading in the Underlying Product is suspended or halted, the position will be re-valued by Synergy for your Account.

4. Client Qualification Policy

Client Qualification

Synergy operates a Client qualification policy that is intended to ensure new Australian Clients are qualified to invest in FX and Metal Contracts based on the information you give us. Investing in Contracts is not suitable for all Clients, due to the significant risks involved.

You should obtain independent advice in relation to the suitability of our Products for your personal objectives, financial situation and needs. You should carefully consider the features of our Contracts and their significant risks before investing in them.

In order to be deemed sufficiently qualified to trade with us, you must be able to pass a multiple choice quiz designed to test the extent of your knowledge in trading and financial markets. In order to qualify, you must record a pass score. The quiz consists of 10 multiple choice questions, with at least one correct answer required from each of the following sections:

- have previous experience trading in FX and Metal Contracts; have an understanding of the concepts of leverage, margins and volatility;
- have an understanding of the key features of the product;
- have an understanding of the trading process and relevant technology;
- are able to monitor and manage the risks of trading; and understand that only risk capital should be traded.

If you pass the multiple-choice quiz, then you will be deemed qualified to trade through us. If a pass grade is not achieved, then you will not be deemed qualified to trade.

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

5. Key Features of the Synergy FX and Metal Contracts

Synergy FX and Metal Contracts

A Contract is a sophisticated over-the-counter financial product which allows you to make a profit or loss from changes in the market price of the Underlying Product, without actually owning the Underlying Product or having any direct interest in the Underlying Product.

In simple terms, the amount of any profit or loss made on the Contract will be equal to the difference between the price of the Contract with reference to the Underlying Product when the Contract is opened and the price of the Contract with reference to an Underlying Product when the Contract is closed, multiplied by the number of Contracts held.

The calculation of profit or loss is also affected by other payments, including payments relating to transaction fees, Finance Charges and any other charges (for more information, see Section 11).

The value can also be affected by fluctuations in foreign exchange if you effect a Transaction denominated in a currency different from the denomination of your Account currency.

You can take both "long" and "short" positions. If you take a long position, you profit from a rise in the Underlying Product, and you lose if the price of the Underlying Product falls. Conversely, if you take a short position, you profit from a fall in the price of the Underlying Product and lose if the price of the Underlying Product rises.

FX and Metal Contracts are Margin Contracts which derive their prices from the real time changes in the price of the Underlying Product in the relevant market.

Prices are only quoted for FX and Metal Contracts and can only be traded during the open market hours on which the Underlying Product is traded.

Synergy will not quote for a Contract on a particular Underlying Product if that Underlying Product is illiquid (for more information on potential external disruptions see Sections 7 and 8).

FX and Metal Contracts allow you to receive many of the economic benefits of owning the full value of the Underlying Product without physically owning it (for more information on key benefits of trading in FX and Metal Contracts see Section 6). For more information on which FX Contracts Synergy provides quotes on, please download a demonstration Synergy Trader Platform located on the Synergy website www.synergyfx.com.au or contact Synergy.

Key Features of FX and Metal Contracts

- FX and Metal Contracts are over-the-counter derivatives issued by Synergy. They are not exchange-traded.
- They are for investing indirectly in a range of currency exchange rates and Metal price movements around the world without having to own and pay full value for the underlying currency or Metal.
- You must fund your Account before you can transact with us. You do this by paying at least the Initial Margin (plus other fees and Charges detailed in Section 11).
- You remain liable to pay Margin Calls and to maintain the required amount of Margin. If you do not maintain the required Margin or you do not pay the required Margin Call within the relevant timeframe, the Contract can be Closed Out and you remain liable to pay us any remaining shortfall.
- FX and Metal Contracts are not traded on a licensed market. The terms of our Contracts are individually tailored to the requirements of the parties to the Contract – you and Synergy. Accordingly, the protections associated with licensed markets are not available to you.
- You have do not own or have any interest in the Underlying Product.

6. Key Benefits in trading FX and Metal Contracts

Key Benefits of FX and Metal Contracts

- Leverage: Contracts are leveraged which means you outlay a small amount (Initial Margin), rather than the full value of the Contract. The use of leverage enables you to take a trading position with an exposure to a particular Underlying Product without needing to buy or sell the full value of the Underlying Product. This leverage gives you the potential to take a greater level of risk for a smaller initial outlay, so this increases the potential risks and rewards. Leverage can magnify losses (see Sections 7 and 8). All payments to Synergy are paid as Margin (or for the relevant fees and charges). The more Margin you pay as a proportion of your notional trade size, the less the leverage ratio that is applying to your trade.
- Speculation: FX and Metal Contracts can be used for speculation, with a view to profiting from market fluctuations in the Underlying Product. You may take a view of a particular Underlying Product and so invest in our Contracts intending to make a profit.
- Hedging: You can use our Contracts to hedge your existing exposure to an Underlying Product.
- Market Position: You can deal in Contracts to profit (and lose) in both rising and falling markets.

7. Key Risks in trading FX and Metal Contracts

Key Risks of FX and Metal Contracts

The key risks of dealing in our Contracts are outlined below and Please see the table below (in Section 8) for a further description of the significant risks.

- Leverage: our Contracts are leveraged when the amount you outlay (i.e., the total Margin and fees and charges) is less than the full face value of the Underlying Product. You should be aware that leverage can magnify losses (see Sections 7 and 8).
- FX and Metal Contracts are typically low Margin, high leveraged investment.

  You should be prepared for greater risks from this kind of leveraged derivative, including being liable to pay Margin Calls. Margin requirements can change rapidly in response to changes in the market for the Underlying Product.
- Loss of your moneys: Your potential losses on (long or short) Contracts may exceed the amounts you pay (as Margin) for the Contract or amounts we hold on trust for you.
- Unlimited loss: Your potential loss on short or long positions may be unlimited – more than the amount you pay Synergy for them.
- Limited recourse: Synergy limits its liability to you under the Terms and Conditions by the extent to which Synergy actually recovers against its Hedging Counterparties and allocates that to the Contract. This key risk is linked to "counterparty risk". The limited recourse risk and the counterparty risk are explained in Sections 7 and 8.

- Trust moneys are withdrawn to pay for the Contracts: The money which you pay into the Synergy Client moneys trust account is not retained in that account but is withdrawn to pay Synergy for the Contracts, even if you pay more than the minimum Margin required. The moneys are withdrawn as payments to Synergy, so they are not held on trust for you and, once withdrawn, you lose the benefits of holding those moneys in the Synergy Client moneys trust account.

- Margin requirements: You are liable to pay Margin before Contracts are issued and, after that, you may be liable to pay Margin Calls to prevent the position from being Closed Out. The required Margin will be at least:

- the Margin required by Synergy for the Contract initially and later); plus

    - the Margin required by Synergy to cover any unrealised loss on other positions in your Account; plus
    - any Margin required by Synergy to cover adjustments for any foreign exchange rate
    - If you do not meet Margin requirements, all of your Open Positions may be Closed Out without notice to you.

- Foreign Exchange: Contracts which are denominated in foreign currency can expose you to fast and large changes to the value of your Account, potentially triggering the need for more Margin to be paid by you, including at short or no notice.

- Counterparty risk: You will be dealing with us as counterparty to every Transaction and therefore you will have an exposure to Synergy. You will be reliant on our ability to not meet our obligations to you under the Contract.

- Not a Regulated Market: Synergy's Contracts are not traded on a licensed market, so you will need to consider the credit and performance exposure you have to Synergy and the limited recourse arrangements. This is further explained in Sections 7 and 8.

The Amounts You Pay

Once an Order for a Contract is received, Synergy may, at or about the same time, make a similar Transaction (in its own name, on its own account) with another market participant (a Hedging Counterparty) to hedge the Contract entered into with you, so that Synergy has little or no direct market exposure to later changes in the value of the Underlying Product.

In order to enter into those Transactions, Synergy is usually required to pay for its hedge or to deposit moneys with the Hedging Counterparty to maintain Synergy's open hedge position. Synergy funds this payment obligation to its Hedging Counterparty from the proceeds of your Margin payments to Synergy.

Since Synergy Trader Platform is a multi-product, multi-currency trading platform, you and other Clients of Synergy using Synergy Trader Platform may choose to pay money to Synergy to trade in Synergy FX or other products issued or dealt by Synergy through Synergy Trader Platform. This is an essential feature of Synergy Trader Platform which gives you significant benefits as well as potential risks from trading different financial products on the same trading platform. The amounts you pay Synergy for any of those products will all be withdrawn from the Client moneys trust account to pay to or for the benefit of Synergy for your Account so you will become an unsecured creditor of Synergy for the entire net amount credited to your Account.

8. Significant Risks of Trading in our Products

This Section 8 does not detail all risks applicable to FX and Metal Contracts but rather seeks to highlight the key significant risks involved in trading in FX and Metal Contracts.

Trading in FX and Metal Contracts carries a high level of risk and returns are volatile. You should obtain independent professional advice and carefully consider whether FX and Metal Contracts are appropriate for you in light of your knowledge, experience and financial needs and circumstances.

Trading in FX and Metal Contracts should not be undertaken unless you understand and are comfortable with the risks of geared investments.

Key Risks

You should consider these key risks involved in trading with us and in our products:

Key Risks	Description
Loss from Leverage:	FX Contracts and Metal Contracts have leverage which can lead to large losses as well as large gains. The high degree of leverage in our Contracts can work against you as well as for you. The leveraging in a position gives a risk of a loss larger than the amounts you pay Synergy as Margin. It can also cause volatile fluctuations in the Margin requirements.
Unlimited loss on short or long positions:	There is risk that you may incur an unlimited loss on short or long positions – more than the amount you pay Synergy for the positions.
Client moneys are applied to pay for the position:	• The money which you pay into the Synergy Client moneys trust account is withdrawn in accordance with the Terms and Conditions to pay Synergy before the Contracts are issued to you, even if you pay more than the minimum Margin required. • Your Client moneys cannot be retained in the Synergy Client moneys trust account because you need to pay Synergy before the Contracts are issued to you. • The consequences of moneys withdrawn from the Synergy Client moneys trust account are either to pay Synergy or to pay you. Moneys withdrawn to pay Synergy are Synergy's moneys (and are not held for you). • Moneys are withdrawn in accordance with Client Money rules, including to pay hedging/liquidity providers • Please refer to Section 9 for a further description.
Margin risk:	• You must be able to pay to Synergy the amount of required Margin as and when required, otherwise all of your Transactions may be Closed Out without notice to you. • Margin requirements are highly likely to change continuously and at times very rapidly, in line with market movements in the Underlying Product. • There is a moderate to high risk that if the market value of the Underlying Product moves rapidly against you, you will be required to pay more Margin on little or no notice.
Foreign exchange risk:	Foreign currency conversions required for funds to match the Base Currency of your Account (see Section 11 for a further description) can expose you to foreign exchange risks between the time the Transaction is entered into and the time the relevant conversion of currencies occurs. Foreign exchange markets can change rapidly. This exposes you to adverse changes in the value of your Account, which can be large (depending on foreign exchange rates) and volatile. This will directly affect the value of a position.

Key Risks	Description
Counterparty risks:	When you deal in Synergy's Contracts, you have a counterparty risk with Synergy. An element of counterparty risk is "credit risk" and this in turn is impacted by the "limited recourse" feature of our Contracts, so you should consider your credit risk with Synergy having the financial resources at the time to pay you the amounts it owes you. For further information please see Credit Risk and Limited Recourse below. • You have the risk that Synergy will not meet its obligations to you under the Contracts. Synergy's Contracts are not exchange traded so you need to consider the credit and related risks you have on Synergy. • The potential adverse outcome of this risk is very significant to you since, if it occurs, you could lose all or some of your investment. • It is possible that Synergy's Hedging Counterparty, or the custodian used by the Hedging Counterparty, may become insolvent or it is possible that other Clients of that Hedging Counterparty may cause a default which

	reduces the financial resources or capacity for that Hedging Counterparty to perform its obligations owed to Synergy under the hedge contracts. Since Synergy is liable to you as principal on the Contract, Synergy could be exposed to the insolvency of its Hedging Counterparty or other defaults which affect the Hedging Counterparty. See below for information about the particular Hedging Counterparty.
Hedging Counterparty Risk:	Synergy will nominate Hedging Counterparties on a case by case basis. These Hedging Counterparties will be aggregators of interbank pricing, and a facilitator of passing the Synergy hedge transactions through to the interbank market. You should note that: • The Hedging Counterparty has not been involved in the preparation of this PDS nor authorised any statement made in this PDS relating to it. • The Hedging Counterparty has no Contractual or other legal relationship with you as holder of the Contract. The Hedging Counterparty is not liable to you and you have no legal recourse against the Hedging Counterparty (because Synergy acts as principal to you and not as agent) nor can you require Synergy to take action against the Hedging Counterparty. • Synergy gives no assurance as to the solvency or performance of any Hedging Counterparty. Synergy does not make any express or implied statement about the solvency or credit rating of any Hedging Counterparty. • The regulation of a Hedging Counterparty is no assurance of the credit quality of the Hedging Counterparty or of any regulated or voluntary scheme for meeting the claims of creditors of the Hedging Counterparty. • The credit quality of a Hedging Counterparty can change quickly. Synergy is not able to make assessments of the credit quality of its Hedging Counterparties which it can disclose and reports by independent credit rating agencies may not be available because of their lack of consent or because they are not licensed to allow such reports to be cited in PDS given to retail Clients. Synergy is not authorised to set out in this PDS any further information published by the respective Hedging Counterparties and Synergy takes no responsibility for third-party information about those Hedging Counterparties which may be available to you.
Credit Risk:	You have credit risk on Synergy when your Account has a net credit balance made up from the amounts credited as Margin, the unrealised value of the positions, other amounts credited to your Account (from closed positions or Finance Charges credited to your Account), other positions posted to your Account (from your other trading using Synergy Trader Platform), less fees and charges and the minimum required Margin. Your credit risk on Synergy: • depends on the overall solvency of Synergy, which is affected by Synergy's risk management; • is affected by your limited recourse against Synergy. The moneys withdrawn from the Synergy Client moneys trust account are payment by the Client to Synergy for the position and so the moneys become the property of Synergy used for payment to Hedging Counterparty. Refer to the heading entitled "Hedging Counterparty" above. However, Synergy uses those payments' funds to acquire and manage hedge transactions or to pay the fees and charges due to Synergy. Since Synergy acts on your authorisation to withdraw all of the funds which you deposit as your payment of Margin for your Accounts, your more significant credit risk arises when the moneys are withdrawn and paid to Synergy (rather than the risks for when your money is in the Synergy Client moneys trust account). In this instance, you are taking credit risk on Synergy because you become an unsecured creditor of Synergy. Your credit risk on Synergy is managed and reduced by Synergy:

	- applying its risk management policy and Margin Policy designed to reduce risk to Synergy and therefore benefit all of its Clients; - hedging positions; - keeping all Synergy Trader Platform-related surplus funds not used for paying Hedging Counterparties in a bank account dedicated for this purpose by it being held under a trust so those funds can only be used in connection with Synergy's dealings with all Clients who use Synergy Trader Platform including the positions, Synergy's hedge contracts for them or fees and charges (and not for general working capital); and - Synergy using the funds paid as Margin by Clients for hedging the Contracts (including managing its own margin obligations on these hedges) and for fees and charges payable to it.
Limited Recourse:	Since Synergy is in the business of providing our Contracts in respect of the Underlying Products and is not assuring the performance and credit risk of Synergy's counterparties, Synergy limits its liability to you under the Terms and Conditions by the extent to which Synergy actually recovers against its Hedging Counterparties and allocates that to the positions. Put another way, any liability owed by Synergy to you will be satisfied only by the extent to which Synergy is able to recover from its Hedging Counterparties. - It is therefore possible that Synergy might not fully recover from each Hedging Counterparty due to reasons not arising from your own Contract, or it may incur costs in seeking the recovery or choose to terminate recovery efforts early, thereby reducing the proceeds available to Synergy to allocate in its discretion to performing its Contract issued to you. - It is important to understand that you have no rights or beneficial interest in an Underlying Product or any Contract which Synergy has with its Hedging Counterparties and you cannot force Synergy to make any decision about seeking recovery against Synergy's Hedging Counterparty. You are dependent on Synergy taking any action to seek recovery. Synergy has complete discretion as to how it pursues that action, although Synergy would act honestly, fairly and efficiently in determining if and how to pursue that recovery action. - The limited recourse does limit your potential recovery against Synergy. - This key risk is linked to Counterparty Risk above.

Significant Risks	Description
Market risk:	Financial markets such as FX or Metal markets can change rapidly; they are speculative and volatile. Prices and exchange rates even of currencies depend on a number of factors including, for example, central bank decisions, interest rates, demand and supply and actions and policies of governments. Our Contracts are highly speculative and volatile. There is a high risk that market prices will move such that the Contract Value of the Contract on closing can be significantly less than the amount you invested in them. There is no guarantee or assurance that you will make profits, or not make losses, or that unrealised profits or losses will remain unchanged.
Not a regulated market:	The FX and Metal Contracts offered by Synergy are derivatives and are not covered by the rules for exchange-traded contracts. Over-the-counter Contracts, such as our Contracts, by their nature may not at times be liquid investments in themselves. If you want to exit your position, you rely on Synergy's ability to Close Out at the time you wish, which might not match the liquidity or market price of the Underlying Product.
Market disruptions:	A market disruption may mean that you may be unable to deal in our Contracts when desired, and you may suffer a loss as a result of that. This is because the market disruption events which affect the Underlying Product will also affect the Contracts on the same or very similar basis. Common examples of disruptions include the "crash" of a computer-based trading system, a fire or other emergency affecting technology systems, or a regulatory body declaring an undesirable situation has developed in relation to particular series of Contracts or a particular trade, and suspends trading in those Contracts or cancels that trade.

Significant Risks	Description
Orders and gapping:	It may become difficult or impossible for you to Close Out a position. This can, for example, happen when there is a significant change in the Contract Value over a short period. There is a moderate to high risk of this occurring.

	Synergy's ability to Close Out a position depends on the market for the Underlying Product. Stop-loss Orders may not always be filled and, even if placed, may not limit your losses to the amount specified in the Order, since they are not guarantees that there will be no loss.
Online trading platform:	You are responsible for the means by which you access the Synergy Trader Platform or your other contact with Synergy. If you are unable to access the Synergy Trader Platform, it may mean that you are unable to trade in our Contracts (including Closing them Out) or you might not be aware of the current Margin requirements and so you may suffer loss as a result. Synergy may also suspend the operation of the Synergy Trader Platform or any part of it, without prior notice to you. Although this would usually only happen in unforeseen and extreme market situations, Synergy has discretion in determining when to do this. If the Synergy Trader Platform is suspended, you may have difficulty contacting Synergy, you may not be able to contact Synergy at all, or your Orders may not be able to be executed at prices quoted to you. There is a risk that Synergy will impose volume limits on Client Accounts or filters on trading, which could prevent or delay execution of your Orders, at your risk. You have no recourse against Synergy in relation to the availability or otherwise of the Synergy Trader Platform, nor for their errors and software.
Market:	Synergy Clients should be aware that some practices in placing Orders can constitute market manipulation or creating a false market which is conduct prohibited under the Corporations Act. It is the Client's responsibility to be aware of unacceptable market practices and the legal implications. The Client may be liable for penalties to regulators such as ASIC or be liable to Synergy for costs to Synergy arising out of those trading practices of the Client which lead to the Client, Synergy or any other person suffering loss or penalty.
Significant Risks	Description
Conflicts:	Trading with Synergy for its Contracts carries an automatic risk of actual conflicts of interests because Synergy is acting as principal in its Contracts with you and Synergy sets the price of the Contracts and also because it might be transacting with other persons, at different prices or rates. The policy used by Synergy is that as principal it issues the Contract to you based on the price it gives you, not by acting as broker to you. Synergy obtains its price by dealing with its own Hedging Counterparties. The other trading activities of Synergy, such as acting as broker to its Clients, are conducted without reference to Synergy's dealing in our Contracts with you. Synergy will make those Transactions as principal or as agent, and will do so to hedge its position and with the intention of making a profit.
Valuations:	The Contracts are valued by Synergy. Typically this is by direct reference to (but not automatically solely derived from) the market value (or, if relevant, index level) of the relevant Underlying Product on the relevant market which in turn affects the price quoted by the relevant Hedging Counterparty to Synergy. If the market fails to provide that information (for example, due to a failure in trading systems or data information service) or trading in the Underlying Product is halted or suspended, Synergy may exercise its discretion to determine a value. Due to the nature of our Contracts, in common with industry practice for such financial products, Synergy's discretion is unfettered and so has no condition or qualification. While there are no specific limits on Synergy's discretions, Synergy must comply with its obligations as a financial services licensee to act efficiently, honestly and fairly. You therefore have the risk of relying on whatever value is determined by Synergy.

Significant Risks	Description
Regulatory bodies:	A Client may incur losses that are caused by matters outside the control of Synergy. For example, actions taken by a regulatory authority exercising its powers may ultimately result in losses to the Client by reason of the effect of those actions on the Underlying Product and so the terms of the Client's Contract. A regulatory authority can, in extreme situations, suspend trading or alter the price at which a position is settled, which will affect the Underlying Product for the Client's Contract. Synergy's powers on default, indemnities and limitations on liability: If you fail to pay, or provide security for,

	amounts payable to Synergy or fail to perform any obligation under your Contracts, Synergy has extensive powers under the Terms and Conditions to take steps to protect its position. For example, Synergy has the power to Close Out positions and to determine the rates of interest it charges. Additionally, under the Terms and Conditions you agree to indemnify Synergy for certain losses and liabilities, including, for example, in default scenarios.
Operational risk:	There is always operational risk in a Contract. For example, disruptions in operational processes such as communications, computers and computer networks, or external events may lead to delays in the execution and settlement of a Transaction. We are not liable to you if losses arise owing to delays, errors or failures in operational processes outside our control, in particular, due to faults in the Synergy Trader Platform or in the provision of data by third parties.
Solvency of Synergy:	The risks you have by dealing with Synergy (due to it being paid all of your moneys deposited into the Synergy Client moneys trust account and Synergy then potentially making hedge Transactions with counterparties funded by those payments) cannot be simplistically assessed by reference to historical financial information about Synergy or its Hedging Counterparties or general statements of principle. The credit risk you have on Synergy depends on its solvency generally, as well as on the amount (and kind) of its capitalisation, its cash flow, all of its business risks, its Client and financial product concentration risks, its counterparty risks for all of its business and Transactions (not just the FX and Metal Contracts), its risk management systems and actual implementation of that risk management and the limited recourse you have. Your credit risk on Synergy will fluctuate throughout the day and from day to day, including due to the implied credit risk on Hedging Counterparties, whose credit risk to Synergy (and so indirectly to you) cannot be assessed or verified on a continuous basis or perhaps at all. You should take into Account all of those factors and not rely only on past financial statements since that could be materially incomplete information for your purposes, not current and therefore potentially misleading as a guide to the current solvency and creditworthiness of Synergy.

9. Client Money held by Synergy

Client Money - Trust Account

All Client funds received by Synergy are handled in accordance with Division 2 of the Corporations Act and ASIC Regulatory Guide 212: Client money relating to dealing in OTC derivatives. Moneys paid by you to Synergy for FX and Metal Contracts are initially deposited into a Client moneys trust account maintained by Synergy, which is referred to in this PDS as the "Synergy Client moneys trust account".

The moneys paid by you into the Synergy Client moneys trust account are held for you and are segregated from Synergy's own funds. This means those funds are not available to pay general creditors in the event of receivership or liquidation of Synergy.

You should be aware that, generally, for Client moneys trust accounts:

- Individual Clients do not have separate or segregated accounts. All Clients' moneys are combined into one account.
- Moneys and other assets in the Synergy Client moneys trust account belonging to non-defaulting Clients are potentially at risk of being withdrawn and not being re-paid to the Client even though they did not cause the default. This is because Synergy is permitted by law to use the moneys to hedge your Contract (see Sections 7 and 8).
- Synergy is permitted by law to use Client moneys in the Synergy Client moneys trust account to meet obligations incurred by Synergy in connection with Margining, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives (not just for your FX or Metal Contracts) by Synergy, including dealings on behalf of people other than the Client whose moneys were deposited into the Synergy Client moneys trust account.
- Synergy is entitled to retain all interest earned on the money held in the Synergy Client moneys trust account.

This deposit also serves as confirmation of your direction to Synergy to tell us that these moneys should be withdrawn as payment for Margin for any Contract you wish to enter using Synergy Trader Platform. If you do not use the Client reference number when making your deposit, Synergy may ask you to confirm your written direction before we can credit your Account to enable you to enter into a Transaction.

So, when you make a payment which is deposited into the Synergy Client moneys trust account, you are making payments which will be used only for the fees and charges in respect of your Contract and the balance will be used as part payment for the Contract (because you take the benefit of the leverage from Synergy only requiring an amount of Margin which is less than the full risk-free value of the FX and Metal Contract), unless you have directed us otherwise.

Use of Client Moneys

Pursuant to your agreement, you cannot make a payment into the Synergy Client moneys trust account without also directing that all of those funds be withdrawn to pay Synergy. Therefore you should only pay into the Synergy Client moneys trust account the amount which you are prepared to have withdrawn to pay Synergy so it may credit your Account to allow you to trade in the Contract. If you do not want your moneys withdrawn from the Synergy Client moneys trust account to fund your Account, then you should not pay the moneys into the Synergy Client moneys trust account.

Client moneys are held in the Synergy Client moneys trust account until Synergy carries out the Client's direction and funds are withdrawn. The timing of the funds being held in the Synergy Client moneys trust account might be for a short time, as little as the same day as your deposit or as much as a few days depending on whether the payment has been correctly referenced with the unique Client reference number we give to you when you make your deposit or subsequently allocated manually. Your moneys are withdrawn from the Synergy Client moneys trust account because you direct those payments in order for your position to be issued and to pay for your Synergy trading and for any other trading on your Account (i.e., for trading in things other than FX and Metal).

You make those directions each time you make a deposit into the Synergy Client moneys trust account by using the unique Client reference number we give to you when you make your deposit in an amount of at least the minimum required Margin amount. Your moneys have to be withdrawn from the Synergy Client moneys trust account to pay Synergy for the Contract.

Synergy's general policy is that it will withdraw from the Synergy Client moneys trust account all of the funds you deposit for your Account, even if it is more than the required minimum Margin. If it is not withdrawn from the Synergy Client moneys trust account, then, pursuant to the Terms and Conditions, the credit cannot be given to your Account for that amount remaining in the Synergy Client moneys trust account and so you cannot trade with the benefit of credit for that amount.

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

You are free to decide that it is more prudent for you to pay more than the required minimum Margin to reduce the risks from leveraging or to avoid time limits for meeting later Margin requirements that you cannot meet. Also, you need to pay Synergy before you trade (holding moneys in a trust account is not payment to Synergy). The Terms and Conditions give Synergy its entitlement to withdraw your funds from the Synergy Client moneys trust account to pay itself all of the funds you deposit.

So, all of the funds withdrawn by Synergy from the Synergy Client moneys trust account are payments for your Contracts and the amount paid to Synergy is credited to your Account.

Withdrawal Authority

Margin is part payment by you to Synergy for the Synergy FX or Metal Contract and is not held on deposit for you. You must pay Margin to Synergy for the Contract. You must pay Margin in an amount of at least the minimum required Margin amount.

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

Synergy uses the Terms and Conditions, policies and procedures to ensure each Client's payments for Contracts are allocated to that Client's Account.

Consequences of Withdrawals from the Synergy Client Moneys Trust Account

Moneys are withdrawn from the Synergy Client moneys trust account either to pay Synergy or to pay you. Moneys withdrawn to pay Synergy are Synergy's own moneys (and are not held for you).

You should be aware that the Australian Client Money Rules allow Synergy (as for any other licensee with a Client moneys trust account) to use any Client's moneys in the Synergy Client moneys trust account for meeting Margin and settlement obligations of any other Clients.

From the time of withdrawal from the Synergy Client moneys trust account:

- You lose the protections given to a Client moneys trust account of that kind.
- You are an unsecured creditor of Synergy for its obligations on the Contract and your other dealings with Synergy. This includes exposure as an unsecured creditor for payment toyou of the net Account Value (if any) after closing all of your positions.
- You are not beneficially entitled to any moneys paid by Synergy to manage positions with its Hedging Counterparties and nor do you have any beneficial interest in those hedging contracts.

Synergy reduces the risks to you arising from the withdrawals from the Synergy Client moneys trust account by:

- using a Client moneys trust account dedicated only for Clients using an Account (and not mixing its own moneys in it);
- hedging Clients' Contracts;
- using Client payments made to it for their Synergy Contracts only for hedging or managing the hedging of its hedge Contracts for those Clients' Contracts or for paying fees and charges on the Contracts;
- keeping all FX or Metal Contracts-related surplus funds not used for paying Hedging Counterparties in a bank account dedicated for this purpose by it being held under a trust so those funds can only be used in connection with Clients who use Synergy Trader Platform, including the FX and Metal Contracts, their hedge contracts or fees and charges (and not for general working capital or for any principal trading by Synergy);
- Managing all Clients' Margin requirements under a policy designed to reduce risk to Synergy and therefore benefit all of its Clients.

10. OrderTypes

Different types of Orders are available on Synergy Trader Platform. You will be able to find out information about Orders that apply on Synergy Trader Platform when you log in. The following are examples of Order types that may be available to you. If you have any questions, please contact Synergy.

Important notice about this section

When you request to place one of the types of Orders described in this Section 10, we have discretion whether or not to accept and execute any such request. We will, at our discretion, accept or reject any Orders. The price at which we accept an Order to trade will generally be on the basis of filling the full volume of the Order in one Transaction if possible and partially filled Orders will be filled as soon as the opportunity arises. For some Contracts that you choose to trade, there may be a minimum trade value or other restrictions (e.g., pricing) that relate to a particular market.

Limit Order

Limit Orders are commonly used to enter or exit the market at a predetermined price that is more favourable to you than the current market price.

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

- Limit Orders to sell are placed above the current market price and are executed when the bid price breaches the price level specified. If placed below the current market price, the Order is filled instantly at the best available price above or at the limit price.

When a Limit Order is triggered, it is filled as soon as possible at the price obtainable on the market. Note that the price at which your Order is filled may differ from the price you set for the Order if the opening price of the market is better than your limit price. In the case of FX and Metal Contracts, the Order will be filled if possible, and any remaining volume will remain in the market as a limit Order; however, there may be particular variations depending on the pricing model you have chosen and the Underlying Product.

Market Order

A market Order is an Order to buy or sell at the current market price as soon as possible i.e. if the market is closed, the Order will be executed when the market opens.

Stop-Loss Order

A Stop-Loss Order is an instruction to Close Out or enter into the Contract at the best available price after a pre-determined price threshold is reached. Putting a Stop-Loss Order on your position will allow you to limit potential losses from adverse market fluctuations by closing your position at the best available price after the market price passes the price threshold you have set.
You would generally choose to place a Stop-Loss Order to provide some risk protection. Stop-Loss Orders are commonly used to exit positions and to protect investments in the event that the market moves against an Open Position.

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

Stop-Loss Orders to sell are placed below the current market level and your Stop-Loss Order would be executed if our bid price moves against you to a point that is beyond the level specified by you (and accepted by us).

Conversely, Stop-Loss Orders to buy are placed above the current market level and your Stop-Loss Order would be executed if our offer price moves against you to a point that is beyond the level specified by you (and accepted by us).

Synergy has absolute discretion whether to accept a Stop-Loss Order, subject to market conditions and the reasonableness of your Stop- Loss Order. Your Order may be unreasonable if, for example, the level you have specified is beyond the level allowed for Orders for the Underlying Product or trading in the Underlying Product is too far away from the market prices.

In the event Synergy accepts your Stop-Loss Order, market conditions may move against you in a way that prevents execution of your Stop-Loss Order. For example, in volatile markets, our quoted prices might gap though your Stop-Loss Order level, so that the closing level of quotes may be beyond the exact level specified by you. A gap in market prices reflects the market for the FX or Metal Contract so can occur for any reason, without any apparent reason or at any time. Additionally, it is possible that not all of the Stop-Loss Orders can be fulfilled because the underlying market does not have enough buyers and sellers in the volume of the Underlying Product to allow Synergy to hedge its Transactions. If the opening price of the Underlying Product is beyond the level of your Stop-Loss Order, your Order will be filled at the opening level, not at your Stop-Loss Order level.

Contingent Order

A Contingent Order is an instruction to place a Limit Order or a Stop-Loss Order to open a new position, while at the same time, another Order is placed (Second Order). This Second Order will only be effective if the parent Order is executed. A Contingent Order cannot be attached to an existing Open Position. It must be placed when you open your position.

If Then Order

An If Then Order is an Order which is contingent upon a working Order being filled and which must be accepted before being attached to a working Order. These Orders can be If Then Limit or If Then Market Orders.

Order Cancels Order (OCO)

Two separate Stop-Loss or Limit Orders that are linked together and placed as one Order. When one of the linked Orders is executed, the other Order is automatically cancelled.

Order Duration

- Good till cancelled: The Order is valid until it is either manually cancelled or is executed because the necessary market conditions have been met.
- Day Order: The Order is valid until the end of the day. The end of the day is 22.00 GMT time on the day that you place the Order.

Risk Limits

Synergy seeks to impose a limit of the Margin Utilisation. This is an internal process only and not a contractual term or assurance to you that any internal risk limit will avoid or minimise your losses on your Account.

Synergy may, in its discretion, choose to impose a more aggressive risk limit from time to time and later to vary that risk limit. This is an internal risk management decision of Synergy.
You should always decide your own risk limits and monitor your positions.

In order to manage the risk that you would not have sufficient funds in your Account to maintain your Open Positions, we may take the following measures:

- If the Margin required to maintain your Open Positions takes up 100% of the funds shown in your Account, you are regarded as being on Margin Call;
- If the funds available in your Account only cover 100% or less of the Margin requirements for your open Contracts, you will receive a visual message automatically on the Synergy Trader Platform for you to consider taking appropriate action which can include depositing further funds or reducing exposure; and
- If the funds available in your Account only cover 50% of the Margin requirements for your Open Positions, your Contracts will be automatically closed out either partially or completely.

Irrespective of the steps we take, it is your responsibility to ensure that you have paid to us sufficient funds in order to satisfy our Margin requirements. If you fail to have sufficient Margin at any time, your positions may be closed out by us, without notice, at a loss to you and you may be charged default interest.

We have sole discretion to determine how much Margin is required.

11. Costs, Fees & Charges

Costs, Fees & Charges

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

Mark to Market Payments That Represent the Unrealised Profit on an Open FX or Metal Contract

At the close of business on each business day during the term of FX and Metal Contracts, we will determine the Contract Value of the FX and Metal Contracts. The Contract Value is calculated as the rate at which a single unit of the Base Currency may be bought with or, as the case may be, sold in, units of the Terms Currency multiplied by the amount of the Base Currency to be traded.

If the new Contract Value at the close of business is, in monetary terms:

- less than the Contract Value determined for the previous day and you hold a Short FX and Metal Contracts; or
- greater than the Contract Value determined for the previous day and you hold a Long FX and Metal Contracts,

we will credit the difference to you. The difference is referred to as the 'mark to market payment'. The mark to market payment is credited to your Account on the same business day it is calculated.

Spreads

The calculation of the price to be paid (or the payout to be received) for FX and Metal Contracts, at the time the Contract is opened or closed, will be based on market prices available at the time and the expected level of interest rates, implied volatilities and other market conditions during the life of the Contract and is based on a complex arithmetic calculation. The calculation will include a spread in favour of Synergy. Spreads will differ depending on the currency pairs traded.

Spread means the difference between the bid price (price offered) and the ask price (price requested) for the Base Currency expressed as against the Terms Currency. The spread is incorporated into the price of the currency pair quoted to you and is not an additional fee or charge payable by you. Synergy makes its income from rebates derived from the spread in the prices of the base currencies.

The spreads we quote are generally wider that the spreads available in the physical market and the additional spread represents spreads received by Synergy by hedging its position. In other words, we:

- add an amount to the market ask price when you open a Long FX and Metal position; and
- subtract an amount from the market bid price when you open a Short FX and Metal position.

This means you pay more to buy a currency and receive less when you sell a currency. The current spreads can be found out by calling us.

The spreads we quote are a number of Pips between the bid price and the ask price. A Pip is the last decimal place to which an exchange rate is quoted. All Pips are not of equal value. For example:

- in the quotation AUD 1=USD 1.0690, one Pip means USD 0.0001
- in the quotation USD 1=JPY 81.20, one Pip means JPY 0.01.

Example - Spreads
If we quote AUD/USD at 3 Pips, the spread will be 0.0003 between the bid and ask price, such as, 1.0690/1.0693. This means that you can sell AUD $1 for 1.0690 USD or buy AUD $1 for 1.0693 USD.

The spreads we quote are determined by our Hedging Counterparty. The spread will be influenced by the following factors:

- estimated current spot interbank exchange rates (for gold and silver our best estimate of current spot price of gold and silver),
- the size of your Transaction,
- the frequency of which you enter into FX and Metal Contracts with us,
- expected levels of interest rates,
- implied volatilities and other market conditions during the life of the FX and Metal Contract, and
- the currency pair and the time zone in which you choose to trade.

The spreads we publish are our best possible target spreads used in normal market conditions. The spreads range from between 0.5 Pips to 600 Pips. In quiet market conditions, the spread may be even narrower than the spreads quoted. But in periods of volatile markets, the spread may be increased.
If a Client receives a quote for a Contract by Synergy it is made by direct reference to the price or value of the Underlying Product in the relevant market but this pricing or the value may differ from the price or value of the Underlying Product for various reasons including that Synergy's income might be included in the pricing, i.e., an additional spread Margin is applied to the pricing offered by Synergy.

For example, if an FX Contract is quoted on the interbank market as 1.44093/1.44097, then the price Synergy will quote for the FX Contract could be as wide as 1.44065/1.44125 or even wider.

Please remember that Synergy is acting as principal to you, and is not acting as your broker to find you the best possible price.

Default Interest

If you fail to pay when due any amount payable under the Terms and Conditions, we may debit from your Account default interest on that amount.

Default interest will be charged from and including the due date to the date of actual payment (after as well as before judgment). All such interest will be calculated using an interest rate which is central bank target cash rate for that currency plus 3% per annum. Default interest is charged in arrears at the end of each business day.

For example, assume that your actual Margin is $1,000 less than your required Margin. If the $1,000 is not deposited with us then, assuming a default interest rate of 8.5% per annum (3% per annum above central bank target cash rate for that currency assuming that rate is 5.5% per annum), default interest of $0.23 per day would be charged and added to the amount owing to us.

Default interest rates are subject to change.

Finance Charges/Credit and Rollovers

Financing Charge on Long FX or Metal Positions

If you hold a long or short position overnight you will be debited or credited a Finance Charge or payment on the Open Positions held overnight. All costs for Finance Charges are factored into the spread pricing.
A Finance Charge will be credited less a rollover fee if you are long the higher yielding currency. It will be charged less a rollover fee if you are short the higher yielding currency.

By way of example, for a long FX Contract position held overnight, assume the interest rate in the Base Currency is 5% and the interest rate in the Terms Currency is 10% the rate of exchange is 0.7500 (see definition of "Base and Terms currency" in the Glossary in Section 18), the charge you may incur would be illustrated:
Where:

- Base currency is $100,000
- Terms currency is $75,000

Exchange rate is 0.7500 or in other words 1 unit of the Base Currency equals three quarters that of the Terms Currency.

- Base currency (long)
  - $100,000 x 5% / 365 = $13.70 (cr interest) A
  - Convert interest in Base currency to Terms currency
  - $13.69 x 0.7500 =$10.27

- Terms currency (short)
  - $ 75,000 x 10%/365 = $20.55 (dr interest) B

So in the case where you are long the lower yielding currency it will cost you $10.27 (B-A rounded down) in the Terms currency per day to hold the position.

No Finance Charge/credit is paid or received if you open and close a position on the same day.

Currency Conversion Calculation Fee

Funds can be deposited with us and held in the following currencies:

- Australian Dollars;
- United States Dollars;
- British Pound Sterling; and
- Euros.

Your FX Account can be denominated in any of the four stated currencies.

- Under the Terms and Conditions, we are entitled to charge you a conversion calculation fee of up to 0.5 per cent for converting amounts into your nominated currency when you deal in a FX Contract denominated in a currency other than Australian dollars, US Dollars, British Pound Sterling or Euros and:
  - funds are transferred from the Synergy Client money trust Account and converted at the current spot rate for the conversion of the relevant funds into your

nominated currency (being either Australian dollars, US Dollars, British Pound Sterling or Euros); or

- realised profits and losses are converted to your nominated currency (being either Australian dollars. US Dollars, British Pound Sterling or Euros) immediately on closing the FX Contract at the current spot rate.

All mark to market payments, Margins, spreads, Swap Charges and interest charges in relation to that FX Contract will be calculated using the Terms Currency. To show the effect of these Transactions on your FX Account, we will notionally convert these Transactions to your Account currency at the current spot rate. No conversion calculation fee is charged to you for these notional conversions.

Margin

You are required to maintain the Margin for Open Positions. The Margin is not a fee but rather a security deposit that you are required to keep with us. For further information please refer to Section 3.

12. FX Trading Examples

The examples below are for illustrative purposes only. The rates and figures quoted are hypothetical and do not represent actual rates or figures.

Long Position - FX Contract

You are of the opinion that AUD will appreciate against USD. You will attempt to benefit from this by buying AUD/USD.
The Synergy quote on the AUD/USD is bid 0.8900 and ask 0.8902. You purchase AUD100,000 at the ask rate of 0.8902.
Assuming the Initial Margin Requirement is 1%, you are required to hold 1% of the value of the open Contract in your Account before Synergy will accept the Order. In this case the value of the Contract when it is opened is AUD100,000 (USD89,020). You would be required to have AUD1,000 (representing 1% of AUD100,000) in equity in your Account in order to enter this Transaction. If you do not have the Initial Margin Requirement the Order will not be accepted by Synergy.

The position will remain open until:

- you instruct us to Close Out the position;
- your Account becomes Margin deficient and Synergy exercises its discretion to Close Out the Open Position; or
- the equity in your Account falls to or below 50% of the Margin Requirement and your Open Positions are automatically Closed Out. In this example, the Open Position would be automatically Closed Out if the equity in the Account is less than AUD500 (being 50% of AUD1,000).

If the AUD increases in value (the USD decreases in value) and you Close Out your position, you make a profit. For example if the AUD rises and the AUD/USD is now quoted at bid 0.9000 and ask 0.9002 you sell AUD at the bid price of 0.9000 and make the following profit:

	Long FX Contract
Amount of AUD (Base Currency)	100,000
Buy Price in terms of USD (Terms Currency)	0.8902
Margin required (assumed to be 1% / Purchase price payable)	1,000 AUD = (890.2 USD)
Sell Price	0.9000
Gross profit/(loss)	USD 980
	Profit will show on your FX Account summary as a converted AUD amount i.e US$980/0.9000 = $1,088.89

If the AUD decreases in value (the USD increases in value) and you Close Out your position, you make a loss. For example if the AUD falls and the AUD/USD is now quoted at bid 0.8880 and ask 0.8882 you sell AUD at the bid price of 0.8880 and make the following loss:
USD 140 (100,000 multiplied by (0.8880 minus 0.8902))
Once a position is Closed Out no further Margin is required.

	Long FX Contract
Amount of AUD (Base Currency)	100,000
Buy Price in terms of USD (Terms Currency)	0.8902
Margin required (assumed to be 1% / Purchase price payable)	1,000 AUD = (890.2 USD)
Sell Price	0.8880
Gross profit/(loss)	USD (140)
	Profit will show on your FX Account summary as a converted AUD amount i.e US$(140)/0.8880 = $(157.52)

Short Position - FX Contract

You are of the opinion that AUD will depreciate against USD. You will attempt to benefit from this by selling AUD/USD.

The Synergy quote on the AUD/USD is bid 0.8900 and ask 0.8902. You sell AUD100,000 at the bid rate of 0.8900.

Assuming the Initial Margin Requirement is 1%, you are required to hold 1% of the value of the open Contract in your Account before Synergy will accept the Order. In this case the value of the Contract when it is opened is AUD100,000 (USD89,000). You would be required to have AUD1,000 (representing 1% of AUD100,000) in equity in your Account in order to enter this Transaction. If you do not have the Initial Margin Requirement the Order will not be accepted by Synergy.

The position will remain open until:

- you instruct us to Close Out the position;
- your Account becomes Margin deficient and Synergy exercises its discretion to Close Out the Open Position; or
- the equity in your Account falls to or below 50% of the Margin Requirement and your Open Positions are automatically Closed Out. In this example, the Open Position would be automatically Closed Out if the equity in the Account is less than AUD500 (being 50% of AUD1,000).

If the AUD decreases in value (the USD increases in value) and you Close Out your position, you make a profit. For example if the AUD falls and the AUD/USD is now quoted at bid 0.8850 and ask 0.8852 you buy AUD at the ask price of 0.8852 and make the following profit: USD 480 (100,000 multiplied by (0.8900 minus 0.8852)).

	Long FX Contract
Amount of AUD (Base Currency)	100,000
Sell Price in terms of USD (Terms Currency)	0.8900
Margin required (assumed to be 1% / Purchase price payable)	1,000 AUD = (890 USD)
Buy Price	0.8852
Gross profit/(loss)	USD 480
	Profit will show on your FX Account summary as a converted AUD amount i.e US$480/0.8852 = $542.25

If the AUD increases in value (the USD decreases in value) and you Close Out your position, you make a loss. For example if the AUD rises and the AUD/USD is now quoted at bid 0.8950 and ask 0.8952 you buy AUD at the ask price of 0.8952 and make the following loss: USD 520 (100,000 multiplied by (0.8900 minus 0.8952))
* Note depending upon amount of funds held this may also have triggered an automatic Close Out due to Margin requirements.
Once a position is Closed Out no further Margin is required.

	Long FX Contract
Amount of AUD (Base Currency)	100,000
Sell Price in terms of USD (Terms Currency)	0.8900
Margin required (assumed to be 1% / Purchase price payable)	1,000 AUD = (890 USD)
Buy Price	0.8952
Gross profit/(loss)	USD (520)
	Profit will show on your FX Account summary as a converted AUD amount i.e US$(520)/0.8952 = $(580.88)

13. External Fees, Taxes and Charges

You are responsible for any stamp duty, Transaction duty, GST or similar goods and services or value added tax payable in respect of trading in Transactions (except for any income tax payable by Synergy). Bank charges and fees imposed on Synergy to clear your funds or in respect of your payments will also be charged to your Account.
The Terms and Conditions may allow Synergy to impose other fees or charges from time to time which do not relate directly to Transactions (and so are not costs, fees or charges for acquiring or later dealing in the Contract itself). For example, you may be required to pay royalty or similar charges set by data providers for your use of information feeds or for online Transaction services. Synergy may debit these amounts to your Account.

14. Taxation Implications

Our products will have taxation implications for Clients, depending on the current tax laws and administration, the nature of the Client for tax laws, the terms of the Transactions and other circumstances. These are invariably complex and specific to each Client. You should consult your tax advisor before trading in these financial products.

The following information should be regarded as general information only.

Australian Taxation Regime for Contracts

The Australian Taxation Office (ATO) has released a number of Taxation Rulings which describe the income tax and capital gains tax consequences of dealing in FX or Metal Contracts. Copies of Taxation Rulings are available from the ATO"s website www.ato.gov.au.

Potential investors should note that this is a public ruling for the purpose of Part IVAAA of the Taxation Administration Act 1953 (Commonwealth) and therefore, if the ruling applies to the investor, the Commissioner of Taxation is bound to assess that investor on the basis outlined in the ruling. Penalties may apply where the treatment outlined in a taxation ruling is not followed and the investor has a tax shortfall. The following statements do not set out all of the content of the Taxation Ruling and there might be other taxation aspects that are relevant to your particular circumstances.

Profits and Losses on Contracts

Any gains derived or losses incurred by you in respect of a Contract ordinarily should be included in your assessable income. When calculating the amount of profit or loss, you need to consider the difference between the Closing Value and the Contract Value on commencement of the position and any fees on Open Positions paid or received by. If you hold the positions for the purpose of trading, you should seek independent taxation advice relevant to your circumstances.

Tax File Number Withholding Rules

The tax file number withholding rules only apply to those investments as set out in income tax legislation. Synergy's current understanding is that those withholding rules do not apply to its financial products; however, if it is later determined to apply and you have not provided Synergy with your tax file number or an exemption category, Synergy may be obliged to withhold interest payments at the highest Margin tax rate and remit that amount to the ATO.

Other Fees, Charges or Commissions

If the position gives rise to gains that are assessable or losses that are deductible, any fees other than charges or commissions ordinarily should be available as a deduction at the time they are paid by the investor and debited against their Account.

Goods and Services Tax

The ruling relating to the GST implications of trading in Contracts is GST Determination GSTD 2005/3. This states that the costs incurred in having an Open Position, such as commissions (on both opening and closing), dividend and corporate event adjustments, daily funding charges and Margins are all considered financial supplies under the new A New Tax System (Goods and Services Tax) Act 1999. Consequently, they are imputed taxed and no GST is payable on their supply. GST may apply to certain fees and charges and you should obtain your own advice as to whether an input tax credit is available to you for such fees and charges.

15. General Information

Accounts Denominated in Foreign Currency

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

The foreign currency conversions can expose you to foreign exchange risks between the time the Transaction is entered into and the time the relevant conversion of currencies occurs. This will immediately impact on the Margin requirements of your Account, so you must be careful to understand and to monitor the effect of trading in Contracts denominated in foreign currencies.

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

Discretions

Synergy has discretions under the Terms and Conditions which can affect your Orders and positions. You do not have any power to direct how we exercise our discretions.
When exercising our discretions we will comply with our legal obligations as the holder of an AFSL.

- We will have regard to our policies and to managing all risks (including financial, credit and legal risks) for ourselves and all of our Clients, our obligations to our counterparties, market conditions and our reputation.
- We will act reasonably in exercising our discretions but we are not obliged to act in your best interests or to avoid or minimise a loss in your Account.

Our significant discretions are:

- whether to accept your Order (including to Close Out a position) or to amend it;
- any risk limits or other limits we impose on your Account or your trading;
- determining Margin requirements, especially the amount of Initial Margin, minimum Margin requirements, the time to meet any changed Margin requirement;
- determining values of Underlying Products (for opening and closing positions and for determining Margin);
- setting bid prices and offer prices; and
- closing your positions and setting the Closing Value.

You should consider the significant risks that arise from Synergy exercising its discretions – see Sections 7 and 8.

Our other discretions include:

- setting our fees and interest rates;
- adjusting our Contracts for adjustments made by the market to the Underlying Products;
- setting foreign exchange conversion rates;
  opening and closing your Account;
- giving you a grace period for full compliance in paying by cleared funds any amount you owe; and
- interpretation, variation and application of our policies.

Cooling Off

There is no cooling off arrangement for our offering. This means that you do not have the right to return the Contract, nor request a refund of the money paid to acquire the Contract. If you change your mind after entering into a Contract with Synergy, you must close it out, pay any Transaction costs and take the risk of incurring a loss in doing so.

Ethical Considerations

Our FX and Metal Contracts do not have an investment component. Labour standards or environmental, social or ethical considerations are not taken into Account by Synergy when making, holding, varying or Closing Out our Contracts.

Dispute Resolution

We have internal dispute resolution procedures to resolve complaints from Clients. A copy of these procedures may be obtained by contacting us and requesting a copy.

Contact Synergy to inform us about your complaint. You may do this by telephone, facsimile, email or letter.

The Compliance Department
Level 27, 25 Bligh Street,
Sydney, NSW. 2000. Australia

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

Synergy is a member of the Financial Ombudsman Service (FOS), which is an approved external dispute resolution scheme that can deal with complaints about all of the financial services Synergy provides.

If you are dissatisfied with the outcome provided by Synergy's internal dispute resolution process, you have the right to complain to the Financial Ombudsman Service (FOS) in writing at:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Telephone: 1300 780 808
Facsimile: (03) 9613 6399
Email: info@fos.org.au
Web: www.fos.org.au

Synergy is a member of the FOS complaints resolution scheme and our membership number is 26427.

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

16. Privacy Policy

The information we collect

Personal information is collected for the purpose of developing and establishing your Account, processing Transactions and for complying with certain laws and regulations. The information we collect from you will only be the essential information needed for us to effectively perform our services and duties to you. Without your personal details we may not be able to supply these services.

We will not collect, use or disclose any personal information from you revealing racial or ethnic origin, political opinions, memberships of a political association, religious beliefs or affiliations, philosophical beliefs, memberships of a professional or trade association, membership of a trade union, sexual preferences or practices, criminal record or health information unless:

- you have given express consent to Synergy to do so;
- there are reasonable grounds to believe that disclosure is necessary to prevent a threat to life or death;
- the use is authorised by law or reasonably necessary to enforce the law; or
- the information is necessary for the establishment, exercise or defence of a legal claim.

How We Collect Information

Synergy collects your personal information through a variety of ways. This includes, information that you provide to us:

- during face-to-face meetings,
- through the completion of our Application Forms,
- over the telephone or internet, and
- through a third party, such as your financial planner or adviser, Accountant or lawyer.

Use and Disclosure of Your Information

The information we collect from you is strictly confidential for use by Synergy. Synergy will not reveal, disclose, sell, distribute, rent, licence, share or pass that information on to any third parties, other than:

- where you have consented to the disclosure;
- to service providers Contracted to Synergy under strict confidentiality clauses; or
- other market operators, clearers and product operators for the purpose, giving effect to your instructions.

Disclosure to service providers may be necessary for the provision of our services to you.

Synergy may use your personal information for marketing purposes. If you wish to remove your name from our marketing mailing list please contact us on +61 2 8823 3100 or write to us at the address detailed in Section 1 of this PDS.

If we wish to use any of your personal information for any other purpose than those specified in this Policy, we will not do so without your express consent. Exceptions to this include:

- where there are reasonable grounds to believe that disclosure is necessary to prevent a threat to life or health;
- where Synergy suspects that an unlawful activity is or has been engaged in;
- the use is authorised by law or reasonably necessary to enforce the law; or- in legal or dispute proceedings.

We will take reasonable steps to ensure that all information we collect, use or disclose is accurate, complete, up-to-date and stored in a secure environment that is accessible only by authorised personnel. Please assist us to keep your details up-to-date and advise us if any information appears inaccurate.

If you cease to be a Client of Synergy, we may keep our records about you, including your personal information, for seven years in order to comply with the legislative requirements. After that, we may destroy those records.

If we do not agree that your personal information requires correcting, we must (if you request) take reasonable steps to ensure that whenever your personal information is later accessed or handled, it is not apparent that you are not satisfied as to the accuracy or completeness of that information.

Access to your personal information

You may access at any time any personal information that Synergy holds about you. Exceptions to this include:

- where providing access will pose a serious threat to life or health of any individual or pose an unreasonable impact on the privacy of an individual;
- providing access would reveal our intentions in relation to negotiations with you in such a way as to prejudice our position in those negotiations;
- where the information relates to existing legal proceedings between Synergy and you and the information would not be discoverable in the process of those legal proceedings; or
- where providing access would be unlawful, may prejudice an investigation of possible unlawful activity, may prejudice enforcement of laws, or denying access is specifically authorised by law.

If Synergy does not allow you access to your personal information, we will provide you with reasons for our decision.

17. ASIC Regulatory Guide 227 Disclosure Benchmarks

ASIC Regulatory Guide 227 requires issuers of over-the-counter (OTC) derivatives to publish certain information addressing a range of disclosure benchmarks. Synergy's compliance with each of the 7 benchmarks is addressed in the below table:

Benchmark description	How does Synergy meet this benchmark?
1. Client Qualification	Synergy maintains and applies a written policy which sets out the minimum qualification criteria that prospective retail investors will need to demonstrate before we will open a Account for you. Synergy also maintains a written policy/procedure to ensure such criteria are properly applied, and unsuitable investors are not accepted. We also maintain records of our assessments. Please note that we do not provide personal advice regarding the suitability of trading in these products for your personal financial circumstances and objectives. However, Synergy does not accept retail investors unless they are able to qualify to the satisfaction of Synergy that they: In order to be deemed sufficiently qualified to trade with us, you must provide that you are able to pass a multiple choice quiz designed to test the extent of your knowledge in trading and financial markets. In order to qualify, you must record a pass score. The quiz consists of 10 multiple choice questions, with at least one correct answer required from each of the following sections: • have previous experience trading in FX and Metal Contracts; • have an understanding of the concepts of leverage, Margins and volatility;

	• have an understanding of the key features of the product; • have an understanding of the trading process and relevant technology; • are able to monitor and manage the risks of trading; and • understand that only risk capital should be traded. If you pass the multiple-choice quiz, then you will be deemed qualified to trade through us. If a pass grade is not achieved, they you will not be deemed qualified to trade. To the extent permitted by law we do not accept liability for your choice to invest in any Contracts so you should read all of this PDS carefully, consider your own needs and objectives for investing in FX and Metal Contracts and take independent advice as you see fit.
2. Opening Collateral	Synergy only permits Clients to open an Account and trade with cleared funds (i.e. transfer of cash from your banking Account to your Account). Credit card deposits are limited to a maximum equivalent of AUD $1,000 per for the first opening deposit. Synergy does not accept other financial products as collateral for opening or trading an Account, due to the potential for 'double leverage' in such circumstances. Synergy does not encourage the use of leverage products with borrowed funds and do not accept "cash equivalents" as opening collateral.
3. Counterparty Risk – Hedging	Synergy maintains and applies a written policy to manage our exposure to market risk from Client positions. This includes strict risk management controls to assess and monitor our hedging counterparties (to ensure they are of sufficient financial standing, are licensed by a comparable regulator, and are of sound reputation). Synergy ensures all hedging counterparties meet the following criteria: • must have a good reputation and be a leader in the industry; • must have a detailed understanding of the foreign exchange business; • must have financial resources sufficient to offer the requisite margin and leveraging supports; • must have sufficient front and back office systems; • it must be regulated by the relevant authority in the countries that it operates. For further information please refer to section 8 – Hedging Counterparty Risks.
4. Counterparty Risk – Financial Resources	Synergy maintains and applies a written policy to ensure the ongoing maintenance of adequate financial resources. We further maintain a detailed Risk Register, in which the key risks of our business are addressed and reviewed. Part of this process involves considering the effect of various scenarios on liquidity and credit risk of a severe market rise or a severe market fall to determine the stress that Synergy can withstand. Please note that we have compliance officer to monitor compliance with our AFSL conditions and ASIC Regulatory Guide 166 (financial) obligations, as well as review and input from our independent external legal and accounting advisers. Our capital requirements and exposure are monitored on a daily basis using real-time software tools and reported formally on a monthly basis. Further, our external independent auditor conducts an audit at the conclusion of every financial year, a copy of which can be provided to you upon written request.
5. Client Money	Synergy maintains and applies a clear policy with regard to the use of Client money. Please note that money you deposit into your Account is co-mingled with other Client money in our Client money trust account. Such monies are only applied to Client trades/settlement obligations and to pay agreed fees etc., in line with the Corporations Act requirements.

	Please note that monies deposited into your Account to meet Margins, deposits, fees, Transaction settlements, or other costs shall be immediately on-forwarded (where applicable) to our Hedging Counterparties, and applied against your Margin, exchange, fee and settlement obligations. Client monies, which are held pending future Transactions and payments, are retained in our Client money trust account in accordance with the Corporations Act. It is important to note that holding your money in one or more Client money trust accounts may not afford you absolute protection. Synergy enters into arrangements with Hedging Counterparties for the facilitation of Transactions and settlements, and avails monies received for Margin calls and settlements to such providers for this purpose. Accordingly Clients are indirectly exposed to the financial risks of our counterparties and organisations with whom Synergy holds Client funds. If the financial condition of Synergy or assets of our counterparties or the parties with which we hold Client assets deteriorate, then Clients could suffer loss because the return of the Client capital could become difficult. Client trades can only be placed when there are cleared funds in the Client's Account. Accordingly, no scenario is anticipated which would result in a shortfall in the Client money trust account, and one Client's money is not used to cover the obligations of another.
6. Suspended or halted underlying assets	An underlying financial product may be placed in a trading halt on the relevant market in various circumstances. Additionally, it may be suspended in certain circumstances. Should our Hedging Counterparties stop providing pricing and clearing in a certain product or underlying asset due to a suspension or trading halt, then Synergy will be unable to process Orders which have not yet been opened, and will suspend trading on Open Positions until such time as pricing becomes available again.
7. Margin Calls	Synergy maintains and applies a written policy detailing our Margining practices in section of 3 this PDS. This details how we monitor Client Accounts to ensure you receive as much notice as possible regarding Margin Calls, our rights regarding the levying of Margin Calls and Closing Out of positions when such calls are not met in a timely manner, and what factors we consider when exercising such Close-Out rights. All Contracts will be subject to Margin obligations. Accordingly, you are responsible for meeting all Margin payments required by Synergy. It is your sole responsibility to monitor and manage your Open Positions and exposures, and ensure Margin Calls are met as required. We reiterate that trading in FX and Metal Contracts carries a high level of risk and returns are volatile. The risk of loss in trading can be substantial, and you can incur losses in excess of the capital you have invested. Accordingly, you should only trade with risk capital i.e. money you can afford to lose, and which is excess to your financial needs/obligations.

18. Glossary

The defined terms used in this PDS are capitalised and set out in this Section 18. If there is any conflict between the terms of this PDS and the Applicable Law, the Applicable Law will prevail.

Term	Description
Account	Means your Account with Synergy established under the Terms and Conditions, including all Accounts and all Transactions recorded in them, for using Synergy Trader Platform.
Account Value	Means the current value of your Account which is calculated by Synergy by Combining: • the balance of the cash Account; • the sum of the values of the non-Margin positions; • the unrealised value (positive/negative) of the Open Positions in Margin products; indicative costs to Close (Transaction Fees, Finance Charges); and • the values of Transactions not yet booked.
AFSL	Australian financial services licence issued by ASIC.
AML/CTF Laws	Means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth) and any related regulations, rules and instruments.
Applicable Law	all laws, procedures, standards and codes of practice that apply in relation to Synergy and the Synergy Products, including the Corporations Act, Corporations Regulations, the ASIC Act, ASIC Policy and the Privacy Act (Cth) 1998, and the applicable laws or regulations of any other country, and including all relevant rules of Government Agencies, exchanges, trade and clearing associations and self-regulatory organisations;
Application Form	means the application form available on our website.
ASIC	Australian Securities & Investment Commission.
ATO	Australian Tax Office.
Australian Client Money Rules	Means the provision in Part 7.8 of the Corporations Act and the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with Client Moneys and property.
Base Currency	The first currency in a currency pair. The Base Currency is assigned a value of 1 when calculating exchange rates. The Contract Value of your FX Contract is dependent upon the movement of the Base Currency against the Terms Currency.
Client	A prospective or existing client of Synergy.
Client Money	Means the moneys Clients have deposited with us and held by us under the Australian Client Money Rules.
Close Out, Closed Out, Closing Out	In relation to a Transaction means discharging or satisfying the obligations of the Client and Synergy under the Transaction and this includes matching up the Transaction with a Transaction of the same kind under which the Client has assumed an offsetting opposite position.
Closing Date	Means the date on which the Contract is agreed to be Closed Out, or earlier, if deemed to be Closed Out in accordance with the Terms and Conditions.

Closing Value	Means the value determined by Synergy by multiplying the number of your FX by the price (or, if an index, the level) of the Contract at the Closing Date.
Contract	Means an over the counter derivative between you and us where the Underlying Product is an FX Contract or Metal Contract which we nominate as available to underlie an Order.
Contract Value	Means the face value of the Contract, and is calculated by Synergy by multiplying the applicable price of the Contract by the number of the Underlying Product.
Corporations Act	Corporations Act 2001 of the Commonwealth of Australia.
Currency Pair	Base Currency and a Terms Currency
Deal or Dealing	Means dealing as defined by section 766C of the Corporations Act.
Finance Charges	Means the Finance Charges as described in section 11 of this PDS.
Free Balance	The cash balance in your Account plus or minus any floating Profit/Loss less any Margin requirements. You can, subject to our Terms and Conditions, withdraw funds up to the amount, if any, of your 'Free Balance'.
FX Contract	Has the same meaning as in section 7 of the Corporations Act. Refers to an FX Contract which is a Margin product you normally do not take delivery of.
Hedging Counterparty	Means a person with whom Synergy enters into a hedge contract to hedge Synergy's exposure to FX and Metal Contracts.
Hedging	A strategy employed to manage exposure to the risk of foreign exchange rate fluctuations by taking a position using Contracts to eliminate or reduce that risk.
If Then Order	An Order which is contingent upon a working Order being filled and which must be accepted before being attached to a working Order.
Initial Margin	Means the amount which you are required to pay to Synergy as the initial Margin for any Transaction which you propose to enter into.
Limit Order	Used to enter or exit the market at a predetermined price that is more favourable to you than the current market price.
Margin	Means the amount of cash or other assets paid to Synergy and credited to your Account as Margin.
Margin Call	Means a call on you, requiring you to top up the amount of money you have in your Account as Margin in order to maintain your required Margin where the market has moved against you, and where the additional payment is required in order to maintain your Open Positions.
Margin Cover	Means the amount of Margin available for Margin trading on your Account. It is calculated by Synergy by subtracting from the Account Value: (i) the required Margin; (ii) that part of the value of Open Positions which are Margin products which is not available to be counted as Margin Cover (usually shown as a percentage of the unrealised value of the Margin product) and (iii) that part of the value of non-Margin positions which are non - Margin products which is not available to be counted as Margin Cover (usually shown as a percentage of the value of the non - Margin product).

Margin Product	Means a Transaction which has a required Margin. This could be an FX or Metal Contract covered by this PDS or another kind of Contract covered by another product disclosure statement issued by Synergy.
Margin Trading	Refers to any trading in any Margin product.
Margin Utilisation	Is expressed as a percentage and relates to the proportion of the Account Value which you are utilising for Margin requirements. The purpose of the Margin Utilisation is to calculate and show simply in percentages how you are meeting your obligation to maintain sufficient Margin.
Mark to Market Payments	Payments which are credited to or deducted from your Account each business day representing the Unrealised Profit/ Loss on your opened FX Contracts at the close of business on that date.
Metal or Metal Contract	Means a Transaction made under the Account Terms and Conditions, issued by Synergy to the Client, whose Underlying Product is a Metal.
Open Position	Means, at any time, a Transaction which has not been Closed Out, or settled prior to the time agreed for settlement.
Order	Means any Order placed by you to enter into a Transaction.
OTC Contract	Means an over-the-counter Contract for a financial product, including options and Contracts in respect of foreign exchange or other commodities, such as Metals.
PDS	Means this Product Disclosure Statement.
Pips	A Pip means the smallest increment in foreign exchange trading or "percentage in point".
Second Order	A Limit Order or a Stop-Loss Order placed to open a new position, while at the same time, another Order is placed.
Spot FX Contract	An agreement under which you will either buy or sell a FX Contract at a fixed price where the value date (being the date that both parties agree to exchange payments) is within two business days after the date of opening the FX Contract.
Standard Lot	100,000 units in the Base Currency.
Stop-Loss Order	an instruction to Close Out or enter into the Contract at the best available price after a pre-determined price threshold is reached.
Swap Charge or Swap Credit	While holding a position overnight, your Account is debited or credited using the applicable overnight Tom-Next rate.
Synergy, we, us, or our	Means Synergy Financial Markets Pty Ltd (ABN 80 150 565 781).
Synergy Client moneys trust account	means the bank account maintained by Synergy as a trust account under section 981B of the Corporations Act. (It is not part of your Account).
Synergy Products	FX Contracts and Metal Contracts.

Synergy Trader Platform	means Synergy's online trading platform for trading in our FX Contracts.
Terms and Conditions	The agreement between you and Synergy in respect of your trading in Account. Both you and Synergy are bound by the terms of the Terms and Conditions.
Terms Currency	Is the second currency in a currency pair. Your FX Contract will be settled in the term currency. The Contract Value of your FX Contract is dependent upon the movement of the Base Currency against the Terms Currency.
Transaction	A purchase or sale by a Client of a Synergy Product.
Underlying Product	The underlying asset, security, currency, commodity, futures contract or index, the reference to which the value of a FX or Metal Contract is determined.