

PRODUCT DISCLOSURE STATEMENT

capital.com

DISCLOSURE STATEMENT

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Date of Issue: 29 January 2024

1. Key Information About Us

Capital Com Australia Pty Ltd ("CCAU, us, we, our, the Company") is a company registered in Australia (ABN 47 625 601 489) and the holder of an Australian Financial Services Licence ("AFSL") issued by the Australian Securities and Investments Commission ("ASIC"). CCAU is authorised to issue and distribute the products described in this Product Disclosure Statement (the "PDS").

Our contact details are:

Issuer:	Capital Com Australia Pty Ltd (ABN 47 625 601 489)
AFSL number:	513393
Address:	Level 34, 120 Collins Street, Melbourne, VIC 3000
Website:	www.capital.com
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General Information

This PDS applies to all Retail Client account applications and describes the key features of Contracts For Difference ("CFDs") offered by CCAU. Before applying for an account or trading with us, please read and ensure that you understand the content of this PDS, the terms and conditions set out in our Client Agreement and any other related disclosure documents (such as the Financial Services Guide and the Risk Disclosure Statement which we may issue from time to time. All of these documents are available on our website.

This PDS contains important information about our products and their associated risks to help you make an informed decision as to whether dealing in CFDs or any other margin trading products offered by us, is a suitable investment for you. Should you have any questions in relation to this PDS, please do not hesitate to contact us.

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All Retail Clients shall be bound by the contents of this PDS. The information in this PDS is current as at 29 January 2024, and may be updated from time to time where that information is not materially adverse to clients. Updated information shall be provided on our website www.capital.com. We may issue a supplementary or replacement PDS at any time, which shall be available on our website or shall be distributed in electronic form as required.

General Advice

CCAU is authorised to provide general financial product advice only. This means that we do not consider your personal or financial situation, investment strategies, targets or needs. You should read this PDS carefully, and then independently consider your personal or financial situation, investment strategies, targets and needs and take reasonable steps to fully assess the possible outcomes of trades and strategies that can be employed using our Trading Platform. Since we do not provide personal advice, we strongly recommend that you seek independent advice to ensure that a particular product is suited to your personal and financial situation and needs.

The Client Agreement contains a provision by which you agree that you enter into all CFDs in reliance on your own perception, and that we will not be liable for any losses, costs, expenses or damages suffered by you arising from any inaccuracy or mistake in any information we give to you in the absence of fraud, wilful default or gross negligence or as required by legislation.

Retail Clients vs Wholesale (Professional) Clients

This PDS is intended for our Retail Clients. Accordingly this PDS does not apply to Wholesale Clients.

2. Regulatory Benchmarks Disclosure

ASIC has issued certain "disclosure benchmarks" that apply to OTC derivatives. These disclosure benchmarks are intended to assist Retail Clients in understanding and considering the risks associated with CFDs and decide whether CFDs are suitable for them. More information about these disclosure benchmarks can be found in ASIC's Regulatory Guide 227: Over-the-counter contracts for difference: Improving Disclosure for retail investors.

The following table sets out which benchmarks CCAU meets or does not meet. Where we do not meet a particular benchmark, we will explain why.

Benchmark	Met?	Explanation
1. Client Qualification Addresses the issuer's policy on Retail Investors' qualification for CFD trading	Yes	<p>Trading in CFDs is not suitable for everyone because of the significant risks involved. As such, CCAU has a written Client Qualification Policy which explains our process for assessing an applicant's knowledge of and experience with using our product.</p> <p>Applicants will generally be required to complete an online application form where a series of questions will be asked to determine whether the applicant:</p> <ol style="list-style-type: none"> 1. has previous experience in investing in financial products, including securities and derivatives; 2. an understanding of the concepts of leverage, margins and volatility; 3. an understanding of the nature of CFD trading, including that CFDs do not provide investors with interests or rights in the underlying asset over which a position is taken; 4. an understanding of the processes and technologies used in trading; and 5. a preparedness to monitor and manage the risks of trading. <p>Applicants may elect to trade on a virtual basis using our demo account which mirrors the functions and features of our live accounts, before proceeding with live trades. This is offered to all Retail Clients at no cost, for an unlimited period.</p> <p>CCAU reserves the right to determine the best method for conducting the assessment and may update its Client Qualification Policy from time to time without notice to you.</p>
2. Opening Collateral Addresses the issuers policy on the types of assets accepted from	No	<p>It is recommended that a limit of \$1,000 be accepted for opening payments made by credit card. This recommendation is made given the risk of trading on borrowed money.</p>

investors as opening collateral		<p>Please note that the use of credit card has the effect of "double leverage" as you will be using borrowed funds to trade.</p> <p>CCAU does not meet this benchmark because we accept payment of opening collateral exceeding \$1000. For more information please see 'Funding Your Account'</p>
3. Counterparty Risk – Hedging Addresses the issuers practices in hedging its risk from client positions and the quality of this hedging	Yes	<p>CCAU maintains and applies a written Counterparty Hedging Policy, a copy of which is available on our website. This PDS includes information about the related counterparty risks under section 7 Counterparty Risk, Credit Risk and Hedging</p>
4. Counterparty Risk – Financial Resources Addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements	Yes	<p>CCAU maintains and applies policies to ensure it meets all financial regulatory obligations as an AFS Licensee.</p>
5. Client Money Addresses the issuers policy on client money	Yes	<p>CCAU has a detailed Client Money Policy and does not use client money for hedging with counterparties. These monies are held and used in accordance with the Australian Client Money Rules.</p> <p>Please note that subject to the Australian Client Money Rules, monies deposited into your trading account to meet margins, deposits, fees, transaction settlements, or other costs shall be on-forwarded to a dedicated Client Funds account and thereafter to our licensed third party clearing and execution providers, and applied against your margin, exchange, fee and settlement obligations.</p> <p>Retail and Sophisticated Investor client money is not used in connection with the margining, guaranteeing, securing, transferring, adjusting or settling of dealings</p>

		<p>in derivatives by CCAU or on behalf of people other than the client. Client monies which are held pending future transactions and payments, are retained in our segregated account in accordance with the Corporations Act. It is important to note that holding your money in one or more segregated accounts may not afford you absolute protection.</p>
<p>6. Suspended or Halted Underlying Assets</p> <p>Addresses the issuers practices in relation to investor trading when trading in the underlying asset is suspended or halted</p>	Yes	<p>In the event of an underlying asset being suspended or expired, CCAU has the discretion to close out positions at the last price. Also, we do not allow new positions to be opened when there is a trading halt over the underlying asset, or where trading in the underlying asset has otherwise been suspended in accordance with the rules of the relevant market.</p> <p>When you place an order for a CFD with us, it is likely that we will place a corresponding order to purchase or sell the relevant product to hedge our market risk. CCAU has the discretion as to when and if it will accept an order. Without limiting this discretion, it is likely that we will elect not to accept an order in circumstances where our corresponding order cannot be filled.</p> <p>Accordingly, CCAU may at any time determine, at our absolute discretion, that we will not permit the entry into CFDs over one or more underlying financial products.</p>
<p>7. Margin Calls</p> <p>Addresses the issuers practices in the event of client accounts entering into margin call</p>	Yes	<p>CCAU maintains and applies internal policies and procedures in relation to margin call practices and our discretions relating to close outs. CCAU seeks to provide you with timely and sufficient notice of margin calls, to facilitate your ability to meet them. However, please note that certain market conditions or events may trigger extreme volatility, requiring urgent funds to be applied to retain your open positions. Please note that all margin calls will be communicated to you via the trading platforms and it is your obligation to ensure you are always available to</p>

		<p>receive and action such margin calls when you have open positions with us.</p> <p>However, we reserve our full rights to immediately close positions in relation to which margin calls have not been met, in order to protect against exposure to further losses in the positions. If your Margin Level for your CFD account drops below 50%, we are obliged to close your positions until the Margin Level reaches 50%, or until there are no open positions remaining.</p> <p>Further information can be found in section 5 of this PDS.</p>
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Risk Warning

Trading on margin is high risk and profits as well as losses are magnified. Movements in the price of the margin contract’s underlying asset (e.g., shares, indices, ETFs, foreign exchange rates, commodity or cryptocurrency prices) are influenced by a variety of unpredictable factors. Extreme movements in the price of the underlying asset may occur suddenly and as a result, you may be unable to settle adverse trades at the expected price. These sudden movements can put you at risk of losing the entirety of your deposit(s) and therefore, our products may not be suitable for you.

3. Our Products – CFDs

Contracts for Difference

Contracts for Difference (CFDs) are an over-the-counter derivative (OTC) product which means that they are not traded directly with an exchange. A CFD is an agreement between two parties which allows you to make a profit or loss by reference to fluctuations in the price of an underlying share or other instrument, without owning the underlying product. For example - if you purchase a share CFD you will not own the physical share in the company.

The amount of profit or loss made on a CFD will be based on the difference in price between when the CFD was opened and when it was closed. There may also be an overnight funding fee or benefits that relate to the CFD, such as dividends.

DISCLOSURE

CCAU offers numerous markets in which to trade CFDs such as precious metals (Gold, Silver etc), ETF's, cryptocurrencies, market indices, shares, FX and commodities (Oil, Natural Gas etc). For more information please visit our website (www.capital.com). Please note CCAU reserves the right to add or remove products from its offering at its discretion.

Nature of CFDS

CFDs are speculative products, the geared nature of which places a significantly greater risk on your initial investment than non-geared investments such as conventional share trading. Unlike share trading, you do not own or have any rights to the underlying asset. Further details regarding our products, how they work and the risks associated with them are set out in this PDS as well as in our Risk Disclosure Statement. We do not recommend that you use our products if you cannot risk losing money.

CCAU does not guarantee the investment performance of CFD products nor the investment performance of the underlying markets or instruments. Past performance is no indication or guarantee of future performance.

You must carefully consider whether CFDs are appropriate for you considering your financial circumstances, experience and investment objectives. We note that you could lose all the margin funds you deposit with CCAU to establish or maintain a CFD position. If the market moves against your position, or your position is rolled over into a new contract with a differing value, you may be required, at short notice, to deposit with CCAU further money as margin to maintain your CFD position. Those additional funds may be substantial. If you fail to provide those additional funds within the required time to reach at least 50% of your Margin level, then your CFD position will be closed. You will be liable for any shortfall in your Account resulting from the closure.

4. Account Application

Before opening an account with us, please read and ensure that you understand the content of this PDS, the terms and conditions set out in our Client Agreement and any other related documents, such as the Financial Services Guide and the Risk Disclosure Statement all of which are available on our website.

To assess whether you have a sound understanding of the features and risks associated with our products, CCAU may ask you for information about, but not limited to, your previous trading experience, your employment status or income. Although some of the information may be personal in nature, it is asked purely for the purposes of assessing your suitability to trade our products. Our decision to accept your application should not be construed as personal advice or a recommendation to trade a particular product. Without prejudice to our foregoing obligations, by concluding any Transaction on our Trading Platform, you represent that you have completed the application accurately and truthfully and declare that you have sufficient knowledge, experience, a good understanding of the market, and have sought your own advice where necessary, to make an independent evaluation of the merits and risks associated with our Products.

CCAU maintains a client qualification policy and all prospective clients will be required to pass our suitability criteria. If we assess that you may not be suitable for trading with us, we may, at our discretion, exercise our rights to terminate our agreement with you.

Client Agreement, Policies and Disclosures

By opening an account with us, you confirm that you have read, understood and accepted all applicable Agreement(s), Policies and Disclosures which are published on our website, and which may be provided to you during the application process. Before you open an account with us, you will need to read and accept the terms of our Client Agreement. It contains the terms and conditions that govern our relationship with you.

Our documents will rank according to the following priority, to the extent of any inconsistency:

- This PDS
- Any supplementary or updated PDS
- Client Agreement, as amended from time to time
- Account Opening Form

Potential clients are required to acknowledge that they are prepared to monitor and manage the risks of trading CFDs. It is important that you provide us with information that is both true and correct as we will not use your answers or any other information you provide to us to tailor recommendations to you, as we do not provide personal advice.

The Client Agreement will apply to each and every transaction you enter into. Before you enter into a CFD transaction CCAU will request from you to pay the margin required. This is paid to CCAU and is not held on your behalf. A confirmation will be sent to you, there are some fees with CCAU CFD transactions which are stated in section 8, "Costs, Fees and Charges".

When you open a position no commission will apply, however funding fees may apply. Settlement must occur on the agreed date; changes to the specified date are only permitted if you and CCAU agree. If there is early termination, you may be liable for any losses, depending on the market value of your CFD Transaction at termination.

Funding your account

You can deposit funds to our Client Money Trust Account by electronic funds transfers (bank transfer), debit or credit card and any other payment methods that we may make available from time to time. Please refer to our website for a full list of payment options.

Monies deposited could take up to 3 days to clear depending on method of payment and will be credited to your trading account once cleared. It is your responsibility to ensure that the amounts transferred are cleared in sufficient time to meet all the payment obligations you have under the terms and conditions.

For CCAU to comply with anti-money laundering and counter-terrorism obligations you agree to provide us with necessary documents in order for us to make the necessary checks when funding your account.

Where we provide you with Payment In Transit (PIT) functionality, we process payments you make to your account, by taking the following steps:

- When you make a payment to us, and before that amount clears and settles in our trust account, we receive such payments on your behalf and ensure that we pay an equivalent amount, directly into your account on your behalf.
- The monies in your account are yours and we hold them in our trust account on your behalf until they are withdrawn to be paid to you on request or by instruction, or paid to us when they become due and payable to us.
- Once the sum you have contributed (PIT) has settled in our client monies account, we may set off positive and negative amounts, so that the amount in your account represents your net position.
- Where your payment to us does not settle for any reason, we may deduct the amount we have paid on your behalf from your trading account.

Withdrawals from your account can be made to you into a bank account in your name and/or to the originating source in your name (e.g. card) subject to the methods we provide.

CCAU does not pay interest on any credit balances on your account.

Holding your funds

The funds in your account will be held in a designated trust account until you enter a trade, withdraw your funds or we are permitted to use the funds. Funds deposited by our clients are segregated from our money and held in a trust account as required by Australian law and the terms and conditions. We will not be liable for the solvency or any act or omission of any bank holding the Client Money Trust Accounts.

Irrespective of whether you are a Retail Client or a Wholesale Client, we cannot use your client money for our own capital purposes, or to hedge with our liquidity providers. Any transaction made by us in connection with our transactions are funded by us from our own money.

Withdrawals from client money will only be made to you on your instruction, into your bank account, or to us where it is due and payable or where it is an excess to the Client Money Trust Account.

It is important to note that holding your money in one or more segregated accounts may not afford you absolute protection.

Negative Balance Protection

Retail Clients are entitled to Negative Balance protection under ASIC Corporations (Product Intervention Order - Contracts for Difference) Instrument 2020/986 which limits retail losses to only the monies deposited with CCAU. Accordingly, Retail Clients will not be required to pay us further funds to cover negative balances. CCAU will simply adjust the negative balance on your account to zero.

Balances on your account

The equity of your account will fluctuate according to the money you have deposited in your account, the trading conducted on your account and positions held. Your account equity is calculated as the balance on your account, including the profit and loss (P&L) on all open positions.

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

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

Conversion of currency

When trading on your account your account balance will be the currency that you nominated when opening the account. For example, if your account is an AUD funded account and you place an FX trade of EUR vs USD, your P&L will always reflect in AUD. This is the same for share CFD's and is reflected in the example below. CCAU offers clients the ability to have more than one currency denominated account.

Example of conversion of funds on trading account:

Your account balance is AUD 10,000.

You open and close a EUR 5000 GlaxoSmithKline CFD position which makes a net loss of EUR100.

CCAU's current EUR/AUD exchange rate is 1.3572

Net loss = EUR 100×1.3572 = AUD135.72

Your new account new balance: $AUD10,000 - AUD135.72 = AUD\ 9864.28$.

Transactions not in your account currency including, but not limited to, commissions, profits, losses and overnight funding are converted to the account currency using the prevailing exchange rate at the time of the transaction, minus an FX conversion fee of 0.7%.

For example when considering an AUD denominated account, a profit of USD 100 would be converted to AUD157 at an exchange rate of 1.5700, with a fee of AUD 1.1 applied ($AUD157 * 0.7\%$), resulting in a total profit of AUD 155.9.

This FX conversion fee applies on a per-transaction basis.

5. Trading with Us - Examples

CCAU offers both an Online Trading Platform and a Mobile App. Both are available via the website at www.capital.com or via the Apple & Google Play stores. You are only able to place an order using either of these devices. Telephone and email orders are not accepted at CCAU.

Please note that the Online Trading Platforms we offer may have different features. It is recommended that you practice and familiarise yourself on a demo account if you have not used the Online Trading Platforms before.

MT4 is a third party platform that we offer our clients for their convenience. By using a third party platform, you acknowledge and understand that we cannot be held responsible for any changes made to third party platforms as a result of their systems and procedures or software updates which we have no control of.

Placing an Order

Compliance with any such order is subject to prevailing market conditions unless we have agreed to a 'Guaranteed Stop Order' (which is only available for a limited range of underlying assets). For a full explanation please refer to the "Market Orders & Managing Your Position" section below.

Opening a Position

Opening a position or contract as it is known, involves buying or selling a Margin FX contract or CFD. This is also known as going long (buying) or going short (selling). If you expected the underlying asset to increase in price (value) you would 'go long'. Likewise, if you felt the underlying asset will decrease in value, you enter a short position (sell).

Example – You expect EUR to weaken vs USD, therefore you enter a 'short' position. If the market moves lower as you expected you would make a profit. If the market moved higher, you would be showing a loss. Profits or Losses are only realised when you 'close' the position. It is your responsibility to manage this position and ensure that you have enough margin (see below) in your account in order to keep the position 'open'.

Closing a Position

In order to close a 'buy' or 'long' CFD you sell, and to close a 'short' or 'sold' CFD you buy. With most CFDs you can hold the position for as long as you like. However, some CFDs have an expiry date. It is your responsibility to make yourself aware of if and when a CFD will expire in which you are trading.

Some CFDs have a set expiry date, upon which the position will automatically be terminated.

Guaranteed Stop Order

Placing a Guaranteed Stop Order puts a limit on a potential loss of a position. Even if the market gaps suddenly, the position will be closed out at exactly the price specified, with no risk of slippage. This feature is supported only for specific instruments and there is a fee for this service (see market orders & managing your position).

Trailing Stop Loss

Trailing Stop Loss Order: A Trailing Stop Loss Order is a type of Stop Loss Order which automatically adjusts its Stop Level by a predetermined amount. If a Trailing Stop Loss Order is attached to a Buy position and the market rises by the predetermined amount, the Stop Level will be increased automatically in steps as set by the Customer. If the market then falls, the Stop Level will remain at its new level. All other features of this order type are the same as a Stop Loss Order. Trailing Stop Loss Orders may not be offered on all markets, or at certain times.

Spreads

CCAU will quote you two prices, the "Bid" at which you can sell a respective CFD, and the "Offer" at which you can buy a respective CFD. The difference between the Bid and the Offer prices is called the spread. Our spreads are quoted on both the mobile and web platforms and on the website, and are inclusive of commission. We do not charge a separate commission fee.

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The spreads are dynamic due to the uncertain nature of the markets and are set at the sole discretion of the Company. Different instruments have different spreads. The spread may factor in:

- Liquidity of the product's underlying market
- General market and economic conditions
- The Company's risk appetite
- The Company's costs and profit margin
- The greater competitive landscape

You will see the spread in our platform and mobile application before you enter into a transaction with us. This can be viewed in the market information tab. For the MT4 trading platform right click on the Market Watch panel, and select 'spread'. A separate column will appear in the box showing spreads on all selected instruments. These spreads are also available on our [website](#).

Base currency & Term currency

When trading Margin FX there are two currencies involved. One is the base currency and the other the term currency. The base currency is the first currency quoted. Example – AUD/USD would reflect that the AUD is the base currency, whereas USD would be the term currency.

Margin requirements

Margin is the amount we will debit from your account when you enter into a Margin FX or CFD transaction to place an order. Margin is used to create leverage and is calculated as a percentage of the contract value. Leverage ratios and margin requirements vary depending on which product you wish to place a transaction. The current requirements for retail clients will be subject to the ASIC Corporations (Product Intervention Order—Contracts for Difference) Instrument 2020/986 as follows:

- 30:1 for CFDs referencing an exchange rate for a major currency pair
- 20:1 for CFDs referencing an exchange rate for a minor currency pair, gold or a major stock market index

- 10:1 for CFDs referencing a commodity (other than gold) or a minor stock market index
- 5:1 for CFDs referencing shares or other assets
- 2:1 for CFDs referencing crypto-assets

Leverage can magnify both profits and losses as it allows clients to take larger exposures. In any case, you must maintain a Margin Level of at least 50% for your CFD account, otherwise we are obliged to automatically close out your positions until your account reaches 50% of the Margin Level, or until there are no open CFD positions. Please see Margin Calls below.

Market Orders and Managing Your Position:

Market Order

A market order allows you to place an order to open a position in an underlying asset. You can link a stop loss or take profit order (see below) to this position within the Platform or mobile app but CCAU cannot guarantee that these mechanisms will be effective.

Limit Order

A limit order is similar to a market order but can be placed at a particular level that you set if you wish to wait for the market to trade at that level. However, if the market doesn't trade at the price you set then your order will not be filled.

Stop Order & Profit Order

A stop loss (Stop Order) is placed to limit the potential loss on the position should the market move away from you. A take profit order (Profit Order) allows you to realise your profit if the market moves to your intended profit level. There are no guarantees on which order will be triggered first. In some instances, we may be able to fill your take profit order better than your intended rate. Likewise, a stop order could be filled worse than your intended rate. CCAU cannot be held liable to compensate you for the difference.

As highlighted previously, financial markets can be unpredictable and volatile causing standard market practice to be challenged. This could result in your Stop Orders not being accepted, or possibly activating at the next available price which could be worse than you had intended for.

CCAU also offers clients a Guaranteed Stop Order facility which allow you to guarantee a stop loss level.

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

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

You should note that your Order may be executed irrespective of the length of time that the bid price quoted on the Trading Platform (in case of sells) or the offer price quoted on the Trading Platform (in case of buys) for a CFD over a particular underlying asset has reached or exceeded the Trigger Price. In volatile markets our quote might 'gap' through the Trigger Price, so that the closing or the opening price for a particular underlying asset may be beyond the exact Trigger Price specified by you.

It is important to understand that when you place an Order, you are dealing with us as principal; you are not dealing with the underlying market. Unless you have placed a Guaranteed Stop Order we do not guarantee your Stop Order will be executed at the Trigger Price. Where these circumstances exist, we will exercise our reasonable discretion to determine when Orders are triggered and the level at which the relevant transaction is opened or closed (as the case may be).

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

If we accept a GTC Order that is not attached to a current position on a share CFD position and then a corporate event takes place, we may cancel your Order. Where we disregard or cancel an Order, CCAU will not re-enter the Order. It is your responsibility to ensure that all such Orders are cancelled and re-entered if needed.

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Your Order will be filled in a single portion (i.e. your entire transaction will be opened or closed (as applicable) at the same price). CCAU does not aggregate orders.

Trading examples for illustration purposes only. They do not necessarily reflect current or future market or product movements, the values that CCAU will apply to a trade, nor how such trades impact your personal circumstances. The figures used in the examples do not necessarily reflect your personal circumstances and do not restrict in any manner the way in which CCAU may exercise its powers or discretions. Those examples do not constitute general or personal financial product advice to any person reading this PDS.

CFD FX examples

- a) You think that the Euro price will increase against the US Dollar. For this example, you would open a FX position whereby you would go LONG (BUY) EUR/USD.

CCAU is offering a price of 1.1820/22, you BUY 100,000.00 notional value at our OFFER price of 1.1822 and place a stop order of 30 pips (1.1792) and profit order at 60 pips (1.1882).

If the market drops to your stop order you would lose US\$300 ($100,000 \times 0.0030$). If, however, the market moved to your profit order, you would make a profit of US\$600 ($100,000 \times 0.0060$).

Depending on which currency your account is denominated there may be a currency conversion charge.

Let's assume in this example that your account was held in AUD. The realised profit or loss on the trade will be converted to AUD using our current live mid-market rate of AUD/USD 0.7327, with an FX conversion fee of 0.5% (0.729/0.7364).

A US\$600 profit would be converted as such: $US\$600 / 0.7364 = AUD\ 814.77$. A US\$600 loss would be $US\$600 / 0.729 = AUD\ -823.05$. This is exclusive of any overnight funding fees.

- b)** You think that GBP will appreciate against USD. You take a LONG GBP/USD position to benefit from the move.

CCAU quotes the GBP/USD bid at 1.3980 and offer at 1.3982. You buy GBP100,000 at the offered rate of 1.3982.

Let's assume the margin requirement is 5%, therefore you need to hold 5% of the value of the contract in your account for CCAU to open your position. The value of this contract is GBP 100,000 therefore you would need to have an account balance more than GBP5,000 or currency equivalent to cover the margin. If you do not have the funds available, then CCAU will be unable to accept your order.

There may be reasons why your position might be closed out. This may be because of the following:

- a. Your account becomes margin deficient, and you do not meet a margin call
- b. Due to a technical issue, you may call us and request that we close the position on your behalf
- c. The net equity in your account falls below the close-out amount of GBP2,500 (50% of GBP5,000). This would result in a forced liquidation of your position. This also assumes you have no other open positions at the time.

If GBP/USD moves higher you will make a profit and if it moves lower, you will make a loss. Realising the P&L will depend on when the position is closed.

CFD Examples

- a)** CFDs for XYB Investments Ltd shares are quoted at 8.31/8.36 on our trading platform. You sell 5,000 shares as a CFD at A\$8.31, CCAU's bid price. You decide to place your Stop Order at A\$8.70. There is no cost or fee charged for placing a Standard Stop Order.

Should the market move against you, the position would be closed at A\$8.70. However, should the market tick through your Stop Order level, the position would be closed at the next available level that CCAU considers fair and reasonable.

In this example, let's assume the price gaps straight through the Stop Order level of A\$8.70 and the position is closed at A\$8.80.

Overnight Funding, conversion fees and dividend adjustments).

This loss is calculated as: A\$8.31 (the opening level) minus A\$8.80, (the closing level) = A\$0.49 x 5,000 shares = A\$2,450.

- b) Gold CFDs are trading at \$1900/\$1905. You decide to open a LONG position of 10 units of Gold CFD at \$1905 while placing a 'Stop Order' at \$1890. The Gold CFDs price decreases to \$1890 and then moves higher to \$1950. In this instance, your position will close at \$1890. Your loss is therefore $(\$1890 - 1905) \times 10 = \text{US\$150}$.

If the Gold CFD price moves down from \$1905 directly to \$1850, the trade will close at \$1850 instead of \$1890 which was the 'Stop Order' level you had set. Since the 'Stop Order' level is not guaranteed, when the market gapped lower and passed \$1890, the position was triggered to close at the next available price which was \$1850. In this example your loss was $(\$1850 - \$1905) \times 10 = \text{US\$550}$ loss (prior to any conversion fees).

- c) ABC Holdings Limited is quoted at \$9.57/9.59 in the market. You buy 2000 shares as a CFD at \$9.59, the offer price. You decide to put your Guaranteed Stop Order at \$9.00.

If the market moved against you, your position would be closed at exactly \$9.00, even if the share opened at a substantially lower level after an earnings report released after hours.

The cost for the 'guaranteed' stop order for this position would be as follows: $2000 \text{ shares} \times \$9.59 \times 0.1\% = \$19.18$ and deducted when being placed.

The most you can lose on the position is $\$1237.54$ ($\$0.59 \times 2000 \text{ shares} = \1180) + GSL fee of \$19.18.

The guaranteed stop order fee will be deducted as a cash entry only if the Guaranteed Stop Order is triggered, the margin required to open the position will include this premium. GSL premiums vary depending on the underlying asset.

- d) CCAU is quoting CFDs in Company X at \$10.01/10.05. You might give a Limit Order to 'buy' at a limit of \$10.00. Your Limit Order will be triggered if at any time, inside or outside market hours, our offer quote moves through the level of the Limit Order (in this case \$10.00).

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You may also wish to buy Company X shares if the price moves above \$10.50. Therefore, you might place a stop loss entry order. This would open the contract if the price jumped to \$10.50. You would then need to manage your open position manually or through a take profit or stop order.

It's important to note that Limit orders are triggered at the price level of the client or better, whereas Stop orders are triggered at the price level of the client or worse.

- e) You think that BTC/USD will move higher and look to take a LONG position. CCAU offers BTC/USD CFD at 11550/11650. To buy 1 BTC/USD the margin requirement at 50% would require you to have US\$5825 or currency equivalent in your account available for us to accept your order.

Let's assume for this example you had more than this in your account. We could accept your order, deduct the margin and you could open your position.

If while the position is open, your account balance drops below US\$2912.50 (the 50% margin close out amount), your position will be closed automatically by us. You would need to ensure you had sufficient funds to keep the position open. Cryptocurrencies have 2:1 leverage therefore require much higher margin to trade.

Example of - Partial Fills

CCAU's current DAX Index CFD price is 13987/13990 . You want to place a market order to buy up to 30 standard contracts at 13990.

CCAU attempts to fill you in the whole 30 standard contracts, but the liquidity at the price is insufficient and you receive a partial fill for 20 standard contracts only. The remaining part of your order (10 standard contracts) will be canceled.

If there is the same lack of liquidity when you have a stop order or limit order, then you will receive a partial fill, but your order will remain active until it is filled or cancelled by you.

Expiry and Rollovers

Some CFDs expire when the current contract expires such as Index Futures i.e. DXY, ASX etc., or Commodities such as Oil, Copper, etc. CCAU does not automatically roll a CFD position in contracts that expire. The position will be automatically closed.

These CFDs can be closed before the expiry date, provided you do so before the last time for dealing. Last times for dealing for all products are available in the Product Details or upon request from our dealers. It is your responsibility to make yourself aware of the last time for dealing for any CFDs in which you deal. If a CFD with a set expiry date has not been closed prior to the last time for dealing it will be closed by us once we have ascertained the closing level of the CFD. The Closing Level will be the last traded price at or prior to the close or the applicable official closing quotation or value in the relevant underlying market as reported by the relevant exchange; minus any spread which is applied to the CFD when it is closed.

If you wish to continue to hold a position in the expiring product you will need to open a new position on the next contract.

Hedging & Margin on Hedged Positions

CCAU offers both normal and hedging mode on our trading platform and mobile app. Hedging is a strategy used to manage exposure to the risk of market fluctuations by taking an opposite position in the same instrument to eliminate or reduce that risk. To use this function, you must ensure that it is enabled BEFORE placing the opposing trades. Additional margin may apply when you engage in trades for Hedging, whether partially or in full.

The margin requirement for hedging is based on the biggest open position of the two. So, assuming you have both a long position and a short position, since the short position margin requirement is calculated on the offer side, the margin requirement is higher.

In this case the margin requirement for both positions will be the margin for the short position. If the short position is closed and the positions are no longer hedged, then the margin requirement for the long position will be required.

Margin Calls

Client accounts are monitored by an automated close out process which highlights any positions triggering a margin call.

A margin call means that we require you to make additional margin available to your account in order to keep your positions open. This may be as a result of increased volatility and/or a lack of market liquidity.

Our margin call procedure works like this:

Gradual Close Out due to 50% Margin Level -

Margin Close Out takes place when the client's Margin Level is at or below 50% and is executed in the below order:

1. All pending orders are closed
2. If the Margin Level is still below 50%, then all losing open trades on open markets are closed*.
3. If the Margin Level is still below 50%, then all profitable open trades on open markets are closed*.
4. If the Margin Level is still below 50%, then any other positions will be closed as soon as the respective markets open.

*Please note that not all markets are open at the same time. Hence, a profitable trade may be closed before a losing one.

What is Margin Call and Margin Close Out?

"Margin Level" is a percentage calculated as follows:

Margin Level = Equity / Margin required*

*Margin required is the funds required to maintain trades open and orders pending.

A "Margin Call" takes place when the client's Margin Level is at or below 100% and the Company sends its client a notification that he/she needs to either delete pending orders to free up margin, or close some trades, or deposit more funds in his/her account to maintain the relevant trades open. A "Margin Close Out" takes place when the client's Margin Level is at or below 50%.

In MT4, a Margin Call takes place when the client's Margin Level is at or below 100%. Margin Calls will be displayed in the MT platform where your "Balance", "Equity" and "Free margin" appear. It is important that you monitor your open positions at all times and are aware of the margin required to maintain your positions.

A "Margin Close Out" in MT4 takes place when the client's Margin Level is at or below 50%.

What happens if your equity drops to or below?

100% of the margin required – 1st Margin Call

You cannot open new trades or place pending orders unless you fund your account

75% of the margin required – 2nd Margin Call

You cannot open new trades or place pending orders unless you fund your account

50% of the margin required – Gradual Margin Close out initiated (as described above)

In normal circumstances we strive to notify you of a margin call by automated email and also via push notification in the mobile app and on our trading platform. The email will be sent to your registered email address as soon as your account triggers a margin call. These communications serve as notice that your account has reached the minimum required level of equity and any open trades are at risk of being closed out. **CCAU does not accept responsibility in the event a margin call email does not reach you or a push notification is missed. It remains your responsibility to continuously monitor your open positions on the Trading Platform or mobile application to ensure that you retain sufficient equity to support your open positions.** In any case, you must maintain a Margin Level of at least 50% for your CFD account, otherwise we are obliged to automatically close out your positions until your account reaches 50% of the Margin Level, or until there are no open CFD positions.

Actions to avoid margin closeouts

There are various ways to avoid margin closeouts such as add funds to your account, cancel pending orders or close some of your open trades to free up some margin. Your account will then reflect the new margin amount available.

6. Significant benefits associated with CFDs

The significant benefits of using our services are:

- **Hedging for purchasing tangible items**

You can use our CFD products to hedge your exposure to the underlying asset. For example, you can place a leveraged foreign exchange trade to protect your exposure to the price movements in an underlying currency or

bullion price. Any profit or loss you make using the Trading Platform could be offset against the higher or lower price you have to physically pay for the underlying asset at a future date.

Example: The price of AUD/USD is 1.2000/1.2004, You are based in Australia but have an obligation to pay 22,000 USD for an item, and you're concerned that the Australian Dollar will devalue. To protect against this event, you could enter into a CFD by selling an AUD 20,000 AUD/USD position so that you may make a gain to offset your other losses, in the event that the AUD weakens.

Suppose the AUD/USD dropped to 1. You would then owe 22,000 AUD for the item (that's another 2,000 AUD from now).

However, your CFD position gained a profit of 2,000 AUD, so overall the hedge saved you 2,000 AUD.

- **Speculation**

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

- **Access to the world markets at any time**

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

- **Real time streaming quotes**

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

- **Control over your account and positions**

When using our trading platform, we enable you to place stop loss limits on your trades. This means that if the market moves against you we will close out your position in accordance with your Order. However, please refer to

the risk section below, which highlights the risk to you that in a volatile market we may not be able to close out your position until after the stop loss limit is exceeded.

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

- **Lower Transaction Costs**

Generally, transaction costs are lower with CFDs and no fees are paid to CCAU to open or maintain a trading account or the ability to leverage.

7. Significant risks associated with CFDs

The Risks of Trading

- Trading in CFDs carries a high degree of risk. The 'leverage' involved in trading CFDs means that a small margin payment can potentially lead to large losses. The geared nature of CFDs also means that CFD trading can carry greater risks than conventional share trading, which is generally not geared.
- A relatively small market movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you.
- System risks are an inherent risk of trading in an online environment. We therefore cannot guarantee that the Online Trading Platforms we offer will be free of error. It is your responsibility to ensure that you have a stable internet and that you avoid trading where you are experiencing network issues. CCAU does not accept liability for system errors.
- All CFDs are off-exchange derivatives. This might be considered to involve greater risk than an on-exchange derivative as there is no exchange market on which to close out an open position – you are only able to open and close your positions with us.
- In unforeseen and extreme situations, CCAU may at its sole discretion (with or without notice), close out your open positions at prices it considers fair and reasonable at such time.
- Liquidity risks affect your ability to trade. It is the risk that your CFD or asset cannot be traded at the time you want to trade. In setting our prices, spreads and the size limits in which we deal, we take into account the markets for the relevant underlying assets. Market conditions can change significantly in a very short period of time. Under certain trading conditions it may be difficult or impossible to liquidate a position.

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- Financial markets may fluctuate rapidly and the prices of our products will reflect this. Gap risk is a risk that arises as a result of market volatility. Gapping occurs when the prices of our CFDs suddenly shift from one level to another, without passing through the level in between. There may not always be an opportunity for you to place an order or for the platform to execute an order between the two price levels.
 - It is possible that you enter into a trade with us and the underlying asset moves in your intended direction, but you still end up with less than your original investment after closing your position. This can happen because of the combined effect of the Spread and any negative Overnight Funding that applies over the days that a contract is held open.
 - There is no clearing house for CFDs, and the performance of a CFD by CCAU is not 'guaranteed' by an exchange or clearing house.
 - Although by dealing with us you will not be dealing in securities, you need to be aware that you may still be subject to the Corporations Act 2001 and, in particular, the market manipulation and insider trading provisions of the Act.
 - The obligations to you under the Terms and Conditions and the CFDs are unsecured obligations, meaning that you are an unsecured creditor of ours.
 - Should the price of the underlying asset on which your product is based move against you, you may receive a Margin Call from us and, at short notice, be required to deposit additional funds into your account in order to maintain your position should you choose to do so. In the event of you failing to make Margin payments, we may reduce or close all your open positions without further notice to you.

Derivative Markets Are Speculative and Volatile

Derivative markets can be highly volatile. The prices of CFDs and the underlying securities, currencies, commodities, cryptocurrencies, financial instruments or indices may fluctuate rapidly and over wide ranges and in reflection of unforeseen events or changes in conditions, none of which can be controlled by you or us. The prices of CFDs will be influenced by unpredictable events including, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

Counterparty Risk, Credit Risk and Hedging

Credit risk is the risk that a counterparty to us fails to perform its obligations which results in financial loss. Our management of credit risk is intended to protect the company and clients from any sudden changes in the liquidity, credit quality or solvency of our banks or brokers.

CCAU does not take on any market risk. All client transactions are executed with Capital Com SV Investments Ltd which is licensed by the Cyprus Securities Exchange Commission.

Our current broker counterparties are listed in our Counterparty Hedging Policy which is available on our website.

Counterparty Risk, Financial Resources

The specific financial requirements of our AFSL as well as other regulatory financial obligations are detailed in internal policies.

These policies describe how we monitor compliance with our financial requirements, as well as how we conduct stress testing to ensure we hold sufficient liquid funds to withstand significant adverse market movements. In practice, financial resources requirements are monitored and reported internally on a daily basis.

Further compliance oversight is conducted quarterly, and an external audit is conducted annually.

Cryptocurrencies Risks

CCAU offers trading in Cryptocurrency CFDs. CFDs on Cryptocurrencies entail higher risk as they are unregulated, and their value fluctuates significantly. In addition, Cryptocurrencies are subject, not only to markets risks of supply and demand, but also technology.

When you trade Cryptocurrency CFDs with us, you are not buying or selling a specific cryptocurrency. You are entering into a contract with us regarding the price movements of the underlying cryptocurrency you select and as in other CFDs, there is never any physical delivery. Your account will be credited or debited with any profit or loss derived from the position.

Cryptocurrency CFDs are generally considered of a higher risk than other Margin FX or CFD products and you should seek independent advice before entering into a transaction with us. Cryptocurrencies also continue to trade during weekends therefore the market is effectively always open unlike other financial products.

Suspended or halted underlying assets

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

Trading on our Trading Platform may be affected by the suspension or closure of any exchange on which underlying assets are traded, or by the imposition of limits or special or unusual terms on the trading on any such market. In such circumstances, we may force immediate closure of your positions and/or demand additional payment from you as margin.

Your trades can be closed automatically

If prices move against your position, you may be required to make immediate payments to top up your account with sufficient funds to maintain your position. The value of your Equity must exceed the required margin at all times or your positions may be closed out without further notice to you. You could sustain a total loss of your account Balance (including the net amount that you deposit with CCAU to establish or maintain a position (including "top up" amounts) and any profits).

You are solely responsible for monitoring your Trading Account and Balance at all times. Closely monitoring your positions is very important as you may be required to make immediate payments.

Not a regulated exchange

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

CCAU has the right to Force Close

In accordance with the terms of the Client Agreement, we have the right to close your open positions at the price being quoted on the Trading Platform, without prior notice to you, in a range of circumstances, including where:

- your Equity falls below the Margin Amount; or
- your balance falls below the Margin Amount; or
- any Credit Card payment made by you to us is reversed for any reason; or
- you fail to comply with any request by us to pay any extra margin within the timeframe specified by us; or
- we determine, in our sole discretion, that trading in a particular CFD has become volatile or there are abnormal trading conditions; or
- we become aware of any illegal activity or inaccuracy in the information provided to us as part of the account opening process; or
- any event occurs that is beyond our control and which, in our reasonable opinion, prevents us from performing our obligations to you or otherwise prevents us from maintaining an orderly market in one or more CFD products in respect of which we deal on the Trading Platform. For the avoidance of doubt, such an event may include an excessive or rapid movement in the price, value or level of any underlying asset, or the suspension of trading of any underlying asset, or our anticipation (acting reasonably) of the occurrence of any such event; or
- a transaction contains or is based on a Manifest Error;
- We become aware of, in our reasonable opinion, that Market Abuse has occurred; or
- We become aware of conduct which results in Unacceptable Trading Circumstances i.e., conduct which affects the integrity or effective functioning of the Trading Platform or CCAU's market for CFDs.

In terms of the Client Agreement, we also have the right to void from the outset any transaction containing or based on any Manifest Error or where we become aware, in our reasonable opinion, that Market Abuse has occurred or conduct results in Unacceptable Trading Circumstances. You should read the Client Agreement carefully.

Account Termination:

CCAU may close all of your open positions, including cancellation of any active open orders and terminate your account in response to a range of default events in accordance with the Terms & Conditions Agreement.

Overseas Applicants:

CCAU does not accept applications from non-Australian residents and this PDS is specifically for Australian Retail Clients.

8. Costs, Fees and Charges

Fees & Charges

Fees and other charges are payable by you to us. Please refer to our website and mobile application for further information on our current fees and charges. The Company provides you with an itemized breakdown of costs and charges in your personal account on the Online Trading Platform.

Spreads

CCAU is compensated for its services through the Buy/Sell spread. When you open a new position, you 'pay' the spread – the difference between the Buy and Sell prices. The spreads are dynamic due to the uncertain nature of the markets and are set at the sole discretion of the Company.

The spread is always incorporated into our quoted rate and is never an additional charge payable by you. The price of the spread varies across instruments, you can view the relevant spread for your chosen instrument on the Capital.com online trading platform and mobile app under the 'market info' tab. For the MT4 Trading platform right click on an instrument (chart) and select "properties", click on the "Common" tab and check the "Show Ask Line" box, click on "ok".

Administration & Additional Charges

CCAU does not charge any administration fees to open or maintain your account. The Company reserves the right to charge any admin or additional fee in its sole discretion. Where an admin or additional fee is introduced CCAU will provide you with 30 days written notice in advance of the effective date of the changes.

In addition, CCAU may from time to time modify the size, the amounts and the percentage rates of its fees providing the Client with a respective notification of such charges accordingly. Any alteration to charges will be notified to you in advance of the relevant change via our Website or the mobile application. It is your responsibility to keep yourself updated, and monitor and/or to check regularly the fees and charges on our Website or in the mobile application, the Company is under no obligation to make personal notifications of the alterations to the charges. Your continued use of our Online Trading Platform shall be considered as your consent and agreement to such changes and shall be governed by those terms and conditions, as modified. If you do not wish to be bound by those changes you should cease to use our platform and inform us immediately.

Although the Company will endeavour to notify clients via e-mail communication of any significant alterations of charges for the Client's convenience.

No Commissions or Fees for Deposits or Withdrawals

No fees are charged by the Company for deposits to or withdrawals from your Account. You will be liable for any money transfer fees in regard to your deposits and/or withdrawals, in such cases liaise directly with your bank or service provider.

Overnight Fees

If you hold a position open overnight, CCAU may charge an overnight funding fee. This fee is based on the entire value of your position, and typically incorporates our admin charge, along with a risk-free adjustment.

Please note, the overnight fee varies across instruments. You can find the specific overnight fee for your chosen instruments in the market information tab on the Capital.com online trading platform or mobile application. MT4 overnight fees can be viewed through the Market Watch tab (Ctrl+M), right-click the financial instrument of interest and select "Specification".

Inactive Account Fees

Inactive Accounts will not be subject to any charge, relating to the maintenance/administration of such account.

Guaranteed Stop Loss Order Fee (GSL Fee)

CCAU charges a fee for offering a guaranteed stop loss (GSL). The fee is shown when the GSL function is selected and is only deducted if the GSL is executed. It is typically calculated using this formula: $\text{Quantity} \times \text{Price} = \text{Premium}$ and will vary depending on instrument. When selecting this function we will deduct extra margin to cover the maximum loss on the position in order for us to accept your order.

The GSL feature is not offered on the MT4 Platform.

Dividends

Adjustments will be made to your Account due to dividend payments related to the underlying equity. Such adjustment will be calculated by us based on the size of the dividend, the size of your position, any possible

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taxation on US shares, and whether it is a buy or a sell trade. If you hold a long Position, we will adjust your Account in your favour by the dividend multiplied by the long quantity as adjusted, if necessary, for taxation. If you hold a short Position, we will adjust your Account in our favour by the dividend multiplied by the short quantity as adjusted, if necessary, for taxation.

A dividend adjustment is applied when an underlying share passes its Ex-Dividend Date (including the ex-date of any special dividend) in the underlying stock market.

However, as CCAU is dependent upon notification from an external third party we cannot under any circumstances be held liable for the consequences of any delayed adjustments.

Positions in the Index CFDs are subject to possible dividend adjustments, which will be made to the Client's Account. Such adjustment will be calculated by the Company in its own discretion based on the size of the dividends, the size of Client's position, applicable taxation, and nature of a trade (whether it is a "buy" or a "sell" trade). If the Client holds a long position, the Company will adjust the Client's Account in Client's favour by the dividend multiplied by the long quantity as adjusted, if necessary, for taxation. If the Client holds a short position, the Company will adjust the Client's Account in the Company's favour by the dividend multiplied by the short quantity as adjusted, if necessary, for taxation (effectively for long positions, the dividend adjustment is credited to the Client's Account; in case of short positions, the dividend adjustment is debited from the Client's account).

A dividend adjustment is applied when an underlying equity passes its ex-dividend date (including the ex-date of any special dividend) in the underlying stock market (meaning when a Position is left open at the settlement time of the previous trading day). However, as the Company is dependent upon notification from an external third party under no circumstances the Company shall be kept liable for the consequences of any delayed adjustments.

FX Conversion Fees

Transactions not in your account currency including, but not limited to, commissions, profits, losses and overnight funding are converted to the account currency using the prevailing exchange rate at the time of the transaction, minus an FX conversion fee.

9. Disclosure of Interests

We do not have any relationships or associations which might influence our ability to provide you with our services. However, you may have been referred to us by a third party who may receive a commission, fee or other non-financial benefit. You may request particulars of any commission or benefits payable to a third party by contacting us directly. However, we will generally disclose such commission, fee or other non-financial benefit, prior to the conclusion of any transaction in accordance with our regulatory obligations. CCAU is an execution-only matched principal broker, any trades which are opened by you are carried out by us on execution-only basis.

10. Personal Information

We may collect and hold a range of personal information about you to provide you with our services. For example, we are required under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 act to collect certain personal information and to verify your identity. We take the privacy of our clients seriously and are committed to ensuring that we comply with our obligations under the Privacy Act 1988 (Cth) and the Australian Privacy Principles (APPs). For more information on what information we collect, what we might use this information for and how we handle and store your information, please refer to our Privacy Policy which is published on our website.

If you are visiting our website, our Privacy Policy (including our use of cookies) shall also apply to you. As a visitor, you will not be able to place orders on our Trading Platform and Mobile application until you have applied, and we have accepted your application.

11. Cooling off

There is no cooling off period for any product offered by us. Once you have deposited funds into your account and initiated a trade, you are no longer entitled to a refund unless you close the trade and have not incurred a loss on that trade. For the avoidance of doubt, you are only entitled to the remaining balance of the account after realising either a profit or loss on the trade.

12. Insurance

CCAU has arrangements in place to maintain adequate indemnity insurance as required by law. This insurance provides cover for claims made against us and our representatives. Please note that you do not have a direct claim under this insurance. Your claim will be submitted to us and will be handled in accordance with our complaints process.

13. Taxation

Margin FX & CFDs may give rise to a tax obligation in Australia. The tax implications will vary and depend on your individual circumstances and other relevant factors.

The taxation of CFDs is set out in ATO Tax Ruling TR 2005/15, which may provide some guidance on how Margin FX and CFDs are taxed. Generally, if you make a gain attributable to an exchange rate or price fluctuation then that part of the gain may be included in your income. Conversely, if you make a loss attributable to an exchange rate or price fluctuation then that part of the loss may be deducted from your income.

Taxation laws are complex, and it is your responsibility to understand and consult a tax advisor before completing a transaction with CCAU.

The information contained in this section is a high-level overview, is general in nature and does not constitute legal nor taxation advice, and neither should you rely on it as such. It is your responsibility to understand the tax implications and to consult a tax advisor.

GST is generally not payable when trading Margin FX or CFDs. However, GST may apply to certain fees and costs charged to you.

14. Labour standards and environmental, social and ethical considerations

Labour standards or environmental, social or ethical considerations are not taken into account when offering our products.

15. Complaints Procedure

If you have a complaint which you want us to investigate and resolve, you should contact us and let us know. Details about how we handle complaints can be found in our Complaint Policy which is available on our website.

If your complaint is not resolved to your satisfaction within 30 days, you have the right to lodge a complaint with the Australian Financial Complaints Authority (AFCA), an approved external dispute resolution scheme, of which we are a member using the contact details below.

You can contact AFCA on the following details:

Address: GPO Box 3, Melbourne, Victoria 3001, Australia

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1300 56 55 62

Fax: (03) 9613 6399

For more information about submitting your complaint to the AFCA, please refer to the following link: <https://www.afca.org.au/make-a-complaint>

16. Use of third party trading tools

In the event that you are able to connect or use third party software, trading tools, strategies and/or systems, you use these at your own risk and you will be responsible for any losses resulting from the use thereof. This includes loss arising out of your use of third party trading tools including but not limited to expert advisors, copy traders, signal providers or robo advisors. CCAU has a discretion whether to permit the use of automated trading tools and we may require you to stop using them where we consider your use thereof unreasonable or inappropriate.

Please note that CCAU does not have control over third party tools or systems and we do not offer or endorse any of them. In the circumstances, we will not assume liability and will not provide technical support in relation to the use of such software/material or devices.

17. Definitions

- **Account** means Client account for dealing in any products that CCAU offers under the terms of its AFSL
- **FX** means Foreign Exchange.
- **AFSL** means Australian Financial Services Licence
- **Ex-Dividend Date** is usually the business day before the company declares the current dividend.
- **CFD** means Contract For Difference
- **Base Currency** refers to the currency in which your trading account is denominated, and also refers to the currency on the left of a quoted trading pair. Any profit or loss on a trade is converted into the Base Currency.
- **FSG** refers to the Financial Services Guide issued by us.
- **Disclosure Documents** means this PDS, the Risk Disclosure Statement, Financial Services Guide and any other disclosures that we may publish on our website from time to time.
- **Guaranteed Stop Loss Order** means an order that puts an absolute limit on a potential loss of a position.
- **Margin** is the funds required by you before you can trade with us.

- **Margin Call** is a demand that we may make to meet further margin requirements
- **Limit Orders** means an order that allows you to set a specific rate at which your position will close, in order to protect your profit. A Limit Order does not guarantee your position will close at the exact price level you have specified.
- **Market Abuse** means any usage of any trading method which is based on a manipulation of the Trading Platform and expressly includes:
 - Scalping,
 - use of an automated data entry system when trading with us,
 - entering into transactions (or combination of transactions such as holding long and short positions) held with different entities within the Capital.com group of companies in the same or similar instruments at similar times, and
 - any conduct prohibited by the Corporations Act 2001.
- **Manifest Error** means any error that we reasonably believe to be obvious or palpable, including without limitation, offers to execute transactions for exaggerated volumes of Instruments or at manifestly incorrect market price quotes or prices at a clear loss
- **Online Trading Platform or Trading Platform** means collectively or individually all, trading platforms (Capital.com online trading platform or MT4 trading platform), that allow us to provide Electronic Services to you pursuant to this PDS and our Client Agreement. The Trading Platforms are accessible via our website and mobile applications.
- **Policies** means the Privacy Policy, Complaint Policy, Hedging Counterparty Policy and any other policy published on our website from time to time.
- **PDS** refers to Product Disclosure Statement
- **Underlying asset** means the instrument (e.g., shares, indices, ETFs, foreign exchange rates, commodity prices or other financial instrument) listed on the Trading Platform.
- **Retail Client** has the same meaning as in section 761G of the Corporations Act 2001 (Cth).
- **Scalping** means a trading strategy based on the notion that a significant portion of your transactions are opened and closed within two (2) minutes in order to accumulate quick profits from small price changes.
- **Sophisticated Investor** means a person who meets the definition of section 761GA of the Corporations Act 2001 (Cth).

- **Stop Order** means a Stop Loss Order that allows you set a specific price at which your position will close in order to minimise your loss. A Stop Loss Order does not guarantee your position will close at the exact price level you have specified.
- **Transaction** means a trade or position entered into between the client and CCAU.
- **Volatility** in this document refers to the unpredictable nature and rapid change of financial markets
- **Website** means capital.com.au
- **Wholesale Client** has the same meaning as in section 761G of the Corporations Act 2001 (Cth).