



INSTITUTIONAL
LIQUIDITY

PRODUCT DISCLOSURE STATEMENT

Margin FX

ILQ Australia PTY LTD

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Product Disclosure Statement (PDS)

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1. General Information

Financial Services are provided by and this PDS has been prepared and issued by ILQ Australia Pty Ltd (“ILQ”) ACN 159166739 AFSL 424122. Please note that the information contained in this Product Disclosure Statement (“PDS”) does not constitute a recommendation, advice or opinion and does not take into account your individual objectives, financial situation, needs or circumstances. Our products are leveraged and speculative and may not be suitable for you. Their prices and the Underlying Instruments, securities or currencies may fluctuate rapidly and widely because of events or conditions which may not be foreseeable and cannot be controlled. This is an important document and should be read in its entirety. We will provide a paper copy of this PDS free of charge upon request and it has been placed on our website: ilq.com.au.

We recommend that you also obtain independent taxation and accounting advice in relation to the impact of foreign exchange gains and losses on your particular financial situation. The taxation consequences of Margin FX transactions can be complex and will differ for each individual's financial circumstances, and your tax adviser should be consulted prior to entering into a Margin FX transaction.

ILQ does not guarantee the investment performance of Margin FX products nor the investment performance of the underlying markets or instruments. Past performance is no indication or guarantee of future performance.

The information in this PDS is current and dated 31 March 2018, 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 ilq.co.au. ILQ may issue a supplementary or replacement PDS as a result of certain changes, which shall be available on our website or shall be distributed in electronic form as required. ASIC takes no responsibility for the content of this PDS.

This PDS does not constitute an offer or invitation in any place outside Australia where or to any person to whom it would be unlawful to make such an offer or invitation. The distribution of this PDS (electronically or otherwise) in any jurisdiction outside Australia may be restricted by law and persons who come into possession of this PDS should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable law.

1.1 Contact Information

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AU Telephone#: + 61 2 8607 8364
International: +1 989 349 3030
Local Fax: + 61 2 9475 0636
Email: clientservices@ilq.com
Website: www.ilq.com

1.2 Trading Hours

Trading hours for Margin FX are from 5:00 pm American EST Sunday and close at 5:00 pm American EST Friday.

We are under no obligation to quote prices or accept orders or instructions in respect of any Contract to which limited trading hours applies during any time when the relevant underlying exchange is closed for business.

1.3 Support Hours

Our trading support desk is open 24 hours whilst the Underlying Market is operating.

1.4 General Advice Only

We only provide you with general advice, which does not take into account your particular needs, objectives and circumstances. No personal advice will be provided to any client under any circumstances.

This PDS does not take into account your investment objectives, financial situation or needs. Accordingly, nothing in this PDS should be construed as a recommendation by us or any other person to invest in Margin FX products.

WARNING Margin FX products are considered speculative products which are highly leveraged and carry significantly greater risks than non-gearred investments, such as shares. You should not invest in Margin FX products unless you properly understand the nature of margin FX products, and are comfortable with the attendant risks. You should obtain financial, legal, taxation and other professional advice prior to entering into a Margin FX transaction to ensure this is appropriate for your objectives, needs and circumstances.

FX products are speculative products which are not suitable for all investors. They enable you to significantly leverage your investments meaning that you are exposed to a much greater risk of financial loss than other types of conventional investments such as share trading. You may incur a loss which is far greater than the amount you invested. You should read section 6 which sets out the risks associated with Margin FX products.

1.5 Anti-Money Laundering Legislation

We may require further information from you from time to time to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act (AML/CTF Act). By opening an account and transacting with us, you undertake to provide us with all additional information and assistance that we may reasonable be require to comply with the AML/CTF Act.

You also warrant that:

- the funds invested in your Account did not originate from trafficking drugs, abduction, or any other criminal activity, and that investment or dealing in those funds does not break the law in your country of residence;
- you are not aware and have no reason to suspect that:
 - the monies used to fund your transactions have been or will be derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international law or convention or by agreement;

- the proceeds of your investment will be used to finance any illegal activities; and
- you are not a politically exposed person or organisation as the term is used in the Anti-Money Laundering and Counter-Terrorism Rules Instrument 2007 (1)

1.6 Jurisdiction

The distribution of this PDS may be restricted in certain jurisdictions outside Australia. Should you gain access to this PDS in a restricted jurisdiction, you should observe such restrictions. This PDS does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

If you are a person intending to deal or dealing with ILQ, you should note:

- the law governing your dealings with us is the law of New South Wales and the Commonwealth of Australia;
- your rights against us are restricted as set out in the Client Agreement;
- moneys which you deposit with us are not loans to us, and will be regulated by the Australian Client Money Rules;
- times are AEST times, unless stated otherwise.

Further, it may be illegal to deal or trade FX Contacts in your jurisdiction via the internet. If that is the case, you will not be allowed to make any deposits to ILQ. It is your responsibility to comply with the national laws and regulations of your country of domicile.

2. Regulatory Benchmark Disclosure

Benchmarks for OTC Margin FX

The Australian Securities and Investments Commission (ASIC) has developed seven disclosure benchmarks for margin foreign exchange (Margin FX), to assist retail investors better understand the risks and advantages associated with these products and whether investment in Margin FX is suitable for them. This table sets out the benchmark and the information which describes how we deal with the benchmarks. More information about this disclosure benchmarks can be found in Regulatory Guide 227:

Disclosure Benchmark	How does ILQ meet this benchmark?
Client Qualification Addresses the issuer's policy on investors qualification for Margin FX trading	Trading in Margin FX products is not suitable for all investors because of the significant risks involved. ILQ will assess client qualification when you apply to open an account. We maintain and apply a written policy which sets out the minimum qualification criteria that prospective retail clients need to demonstrate before we will open a trading account for them. ILQ also maintains a written policy/procedure to ensure such criteria are properly applied, and unsuitable retail clients are not accepted. We also maintain records of our assessments. Further information can be found in section 8.3 of this PDS.
Opening collateral Addresses the issuer's policy on the types of assets accepted from investors as opening collateral	ILQ accepts funds deposited through online banking facilities and credit card payments as collateral for margin FX trading accounts. No other financial products or properties will be accepted as collateral to open a trading account. ASIC recommends that an issuer should accept no more than \$1,000 via credit card to fund the account when an account is established. We recommend the same but do not enforce this benchmark. We do not accept securities or real property as collateral.

	<p>ILQ may accept credit card payments for more than \$1,000 as initial funding in order to provide clients with efficient and flexible payment options. We do limit credit card funding to a maximum of \$5,000 per transaction and no more than \$20,000 within a thirty-day period. In addition, funds can only be returned after 30 days of a credit card deposit by wire transfer.</p> <p>You should be aware that using a credit card as opening collateral exposes you to the risk of double leverage, being the combined effect of using a credit card to fund a leveraged trading account. Your losses can be magnified by the use of credit card.</p> <p>Please note that your preferred method of funding is entirely a matter for you as we do not provide personal financial product advice that takes into account your personal circumstances.</p>
<p>Counter party risk –hedging</p> <p>Addresses the issuer's practices in hedging its risk from client positions and the quality of this hedging</p>	<p>Counter-Party Risk</p> <p>Client monies are held at Commonwealth Bank in segregated client TRUST accounts. Client monies are NOT used as hedging or trading margin. ILQ is a market maker and has direct exposure to client's positions. ILQ has a strong balance sheet and financial position to manage risks arising from client trades. ILQ's net tangible assets (NTA) is strong and will be increased proportionately to the level of risk. Risk is monitored using proprietary algorithms that measure, among other factors, volatility and exposure in real time.</p> <p>In the event ILQ chooses to use counterparties to hedge, wholly or partly then they will be selected based on stringent criteria. The hedging counterparty must:</p> <ul style="list-style-type: none"> (a) have a strong financial position; (b) be licensed and regulated in home jurisdiction; (c) have demonstrated a risk management system. <p>Where ILQ chooses to hedge it will do so using risk capital to manage your exposure. ILQ is prohibited from using client money to hedge its exposure.</p> <p>Operational Risk</p> <p>The Commonwealth Bank client TRUST accounts are electronically verified and cross referenced against client trading server balances on a daily basis.</p>
<p>Counterparty risk – financial resources</p> <p>Address whether the issuer holds sufficient liquid funds to withstand significant adverse market movements</p>	<p>ILQ maintains and applies a policy for monitoring compliance with its AFSL financial requirements and to ensure it holds sufficient net tangible assets and sufficient financial resources to withstand significant market movement.</p> <p>ILQ financial resources requirement are monitored and reported internally in real time and reported formally on a monthly basis. Further, our external independent auditor conducts an audit at the conclusion of every financial year.</p>
<p>Client Money</p> <p>Addresses the issuers policy on client money</p>	<p>Under ILQ's client money policy, all client money is deposited in a segregated account and held on trust for the client in accordance with the requirements under the Corporations Act. Client money is segregated from ILQ's own funds. Under ILQ's client money policy:</p> <ul style="list-style-type: none"> • Client money is segregated from ILQ's own money; • Client money is held with an Australian Authorised Deposit-Taking Institution (ADI); • ILQ retains and holds as security any interest earned on client money;

	<ul style="list-style-type: none"> • ILQ may withdraw client money for the purpose of adjusting or settling dealing in ILQ's products and the payment of finance charges, transaction fees, data fees and interest payments; • ILQ may withdraw funds from client money accounts to satisfy payment of money owing by the relevant client to ILQ, including bank transfer charges and unrealised losses on the account; and <p>Further information can be found in section 7.1 of this PDS.</p>
<p>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>	<p>Foreign exchange markets trade continuously. They open at 05:00 pm American EST Sunday evening and close at 05:00 pm American EST on Friday evening. They are open 24 hours during this period.</p> <p>Prices are continuously streamed during this period. Because foreign exchange is not an exchange-traded product, it is not possible to suspend or halt the streaming of these prices.</p>
<p>Margin calls</p> <p>Addresses the issuers practices in the event of client accounts entering into margin call</p>	<p>ILQ maintains a written policy in relation to its margining practices.</p> <p>You should be aware trading in Margin FX involves the risk of losing substantially more than the initial investment. In cases where you might lose more than your initial investment in your account, it will be necessary for you to deposit additional funds with ILQ. It is your responsibility to manage and monitor your open positions with us and to ensure that you meet your margin obligation.</p> <p>For further information about margin call and close out please refer to section 9 of the PDS and clause 10 of the Client Agreement.</p>

3. PDS Summary

This is a summary only of the key features and characteristics involved in dealing in our Margin FX. In addition to this summary, you should ensure you have read and understood the contents of this PDS, the Client Agreement and our Financial Services Guide (FSG).

Question	Answer
Who is ILQ Australia Pty Ltd	ILQ Australia Pty Ltd ("ILQ") is a Company incorporated in Australia (ACN 159166739) and is the holder of an Australian Financial Services Licence No 424122. ILQ is a wholly owned subsidiary of Navitas Investments LLC ("Navitas"), a company duly incorporated in the state of Michigan, United States of America.
Who is the issuer of this PDS, the Margin FX?	ILQ is the issuer of this PDS and the provider of Margin FX.
What is a foreign exchange transaction?	Foreign exchange is about exchanging one currency for another. In a foreign exchange transaction one currency can be bought or sold in exchange for another currency

What financial products do we provide?	Foreign exchange spot contracts on margin FX (Margin FX).
What is Margin FX?	<p>Margin FX is an over-the-counter derivative product which enables traders to leverage a small margin deposit for a much greater market effect in relation to currencies.</p> <p>A Margin FX Contract is an agreement under which you may make a profit or incur a loss arising from fluctuations in the price of the contract. The price of our Margin FX Contracts is based on the price of an underlying currency or commodity (Underlying Instrument). However, you do not own that Underlying Instrument or trade it on an exchange by owning a Margin FX Contract. Margin FX differs from spot and forward foreign exchange trading in that they are legally classified as derivatives rather than foreign exchange contracts, and are cash settled (i.e. no physical delivery is available).</p> <p>By entering into a Margin FX transaction, you are either entitled to be paid an amount of money or required to pay an amount of money depending on movements in the price of the contract.</p> <p>The amount of any profit or loss made on a Margin FX transaction will be the net of:</p> <ul style="list-style-type: none"> • the difference between the price of the contract when the position is opened and the price of the contract when the position is closed; • any Margin adjustments in respect of the contract; • any Rollover Charges and Rollover Benefits relating to the contract. <p>The balance in your Account will also be affected by other amounts you must pay to us in respect of your Account such as interest on debit balances.</p>
What is a Position?	A Position is a Margin FX entered into by you under the Client Agreement.
Margin FX is issued “over the counter”. What does this mean?	<p>Over the counter (“OTC”) means that you do not trade in Margin FX through an exchange or market; rather, it is a transaction between you and us. This means you can only enter into contracts in relation to our products with us.</p> <p>You do not have the protections normally associated with trading on a regulated market.</p> <p>It is not possible to close a Margin FX position by giving instructions to another provider, broker or Australian financial services licensee.</p>

What charges are payable when dealing in Margin FX?

The common fees and charges you will incur when dealing in Margin FX may incorporate any or all of the following:

- Rollover/Swap charges and/or payments at the applicable Swap Rates;
- Administration charges such as conversions fees and wire fees related to deposits, withdrawals, and transfers;
- Commissions, where applicable, may be charged by ILQ directly, or may be collected by ILQ and remitted to your introducing broker.
 - Commissions may be charged directly by ILQ for clients who trade on a professional, or below-retail, price feed.
 - Commissions may be collected by ILQ and remitted to your introducing broker if you agree to compensate your introducing broker with such fees.

In addition, we will apply a bid/offer spread in respect of financial products, which will also affect the profits or losses you make when dealing with these contracts.

Slippage is the difference between a requested price of a trade or pending order and the price at which the order was executed or filled.

A gap in the markets is a break between prices on a chart that occurs when the price of a product makes a sharp move up or down with no trading occurring in between or when the market closes at different rate to when it opens again.

There are two common types of slippage:

- a) When a market gaps, either over the weekend or after a news event (like payroll figures or interest rate decisions); and
- b) When a price is clicked on and has substantially changed in the time it took to get back to the executing bank or broker.

For the benefit of all our clients, we treat both slippage scenarios in the same way that they would be treated in the exchange traded share or futures markets in that we slip our clients to a better price if the interbank market from which we obtain its prices has moved in the client's favour, and similarly a worse price if the market has moved against them.

How do I open an Account?

Read this PDS, the Client Agreement and our FSG, and then complete an Application Form.

You may obtain these documents by going to our website at www.ilq.com.

What is the minimum balance to open an account?	AUD\$250 or an alternative currency equivalent for Australian clients. USD\$100 or its currency equivalent for Foreign Clients.
How do you deal in Margin FX with us?	<p>You may place orders to deal in Margin FX in two ways:</p> <ul style="list-style-type: none"> • by telephoning on +61 2 8607 8364; or • using our Trading Platform through a computer connected to the internet or your mobile telephone. <p>We will not accept orders or instructions from you through any other means, such as email, unless we have previously agreed with you to do so.</p> <p>It is possible for a third party to place orders on your behalf provided that a written Power of Attorney or authority has been received and accepted by us.</p>
What are “long” and “short” positions?	<p>You go “long” when you buy a Margin FX or place an order to open a Position in the expectation that the price of the Underlying Instrument will increase, which would have the effect that the Position’s price will increase.</p> <p>You go “short” when you sell a Margin FX or place an order to open a Position in the expectation that the price of the Underlying Instrument will decline, which would have the effect that the Position price will decline. If this occurs, because you have sold a Margin FX (rather than bought a Margin FX), you would make a profit if you closed the position at this point, subject to our fees and charges.</p>
How do I close-out a position?	You close a Position in a Margin FX by you taking an equal and opposite Position with us either by single Position Closing or opposite Position closing.
How do we deal with your money?	<p>Moneys which you deposit with us will be regulated by the Australian Client Money Rules. Under ILQ’s client money policy, all client money is deposited in one or more segregated account and held on trust for the client in accordance with the requirements under the Corporations Act. Client money is segregated from ILQ’s own funds.</p> <p>Under ILQ’s client money policy:</p> <ul style="list-style-type: none"> • Client money is segregated from ILQ’s own money; • Client money is held with an Australian Authorised Deposit-Taking Institution (ADI) or an approved foreign bank; • ILQ retains and holds as security any interest earned on client money; • ILQ may withdraw client money for the purpose of adjusting or settling dealing in ILQ’s products and the payment of finance charges, transaction fees, data fees and interest payments; and

	<ul style="list-style-type: none"> ILQ may withdraw funds from client money accounts to satisfy payment of money owing by the relevant client to ILQ, including bank transfer charges and unrealised losses on the account.
What is Margin?	<p>Margin is initially the amount that you must have in your Account to enter into a Margin FX transaction with us.</p> <p>The level of Margin required to open and maintain these contracts is called the “Initial Margin Requirement”. The sum of your Margin Requirements for all of your open Positions is called the “Total Margin Requirement”.</p> <p>Margin Requirements will fluctuate with the value of the Underlying Instrument on which the contract is based. Further, where you deal in a contract that is denominated in a currency other than the Base Currency of your Account, your Margin Requirement may also be affected by fluctuations in the relevant foreign exchange rate.</p>
What is a Margin Call by us?	A Margin Call is a demand for additional funds to be deposited into your Account to meet your Total Margin Requirement because of adverse price movements on your open Positions.
How are payments made in and out of my Account?	<p>You may deposit funds by wire transfer or credit card. All funds must be Cleared Funds in your Account before they are treated as satisfying a Margin Call or can be made available for you to use in dealing in Margin Contracts.</p> <p>We will pay you through wire transfer or back to the original credit card used.</p>
Do I receive interest on moneys held in my Account or pay interest on moneys I owe to you?	You will not receive any interest on your money held in your trading account.
What is Tom/Next Swap	Open spot FX positions held at the end of a trading day at 17:00 New York Time will be rolled over for a new value date on a tom/next basis immediately after the changing of trading day. As part of the tom/next rollover operation, FX positions are subject to a swap charge or credit. The calculated swap charge or credit are referred as swap point and the amount is debited or credited to your account. For further details please refer to section 10.
What are the key benefits?	Some of the key benefits for each type of Margin FX offered by us in this PDS are set out in section 5.
What are the risks of Margin FX?	Margin FX are derivative products that are speculative, highly leveraged and carry significantly greater risk than non-g geared investments such as shares. You may incur losses to the extent of your total exposure to us and any additional fees and charges that apply. These losses may be far greater than the money that you have

	<p>deposited into your Account or are required to deposit to satisfy Margin Requirements.</p> <p>You should obtain your own independent financial, legal, taxation and other professional advice as to whether Margin FX are an appropriate investment for you.</p>
What procedures are in place to deal with your complaints?	We provide a complaint handling and dispute resolution process for our clients and are a member of the Financial Ombudsman Service (FOS), an external complaints resolution body.
What are the taxation implications of entering into Margin Contracts?	<p>The taxation consequences of dealing in Margin FX depend on your personal circumstances. Some general taxation consequences are set out in section 15.</p> <p>The taxation consequences can be complex and will differ for each individual's financial circumstances. We recommend that you obtain independent taxation and accounting advice in relation to the impact of foreign exchange transactions and products on your particular financial situation.</p>
How do I learn to use the Trading Platform and how to deal with you?	We offer online tutorials on the use of our Trading Platform. We recommend that you apply for a demo Account and trial our Trading Platform prior to opening an Account. The demo Trading Platform mirrors the live Trading Platform and provides you with a virtual cash balance to trade, enabling you to become familiar with the features of the Trading Platform.
What are your trading and office hours?	<p>Trading Hours</p> <p>Trading hours for Margin FX will depend on the relevant Underlying Instrument Market's hours of operation, and are set out on our website.</p> <p>Support Hours</p> <p>Our trading support desk opens 24 hours whilst the underlying market is operating subject to public holidays, to service your account.</p>
What if I need further information?	<p>You should speak to your financial advisor, or, alternatively, you can contact us by:</p> <ul style="list-style-type: none"> • telephone: +61 2 8607 8364 • email: clientservices@ilq.com • internet: ILQ.com
What additional fees and charges are payable in respect of a Margin Contract?	Whilst we endeavour to include all fees and charges in the spread quoted, in some circumstances you may incur fees and charges; for details refer to section 10.

4. Significant Features of Margin FX

4.1 What is Margin foreign exchange?

Margin FX is an over-the-counter derivative product which enables traders to leverage a small margin deposit for a much greater market effect in relation to currencies.

A Margin FX Contract is an agreement under which you may make a profit or incur a loss arising from fluctuations in the price of the contract. The price of our Margin FX Contracts is based on the price of an underlying currency or commodity (Underlying Instrument). However, you do not own that Underlying Instrument or trade it on an exchange by owning a Margin FX Contract. Margin FX differs from spot and forward foreign exchange trading in that they are legally classified as derivatives rather than foreign exchange contracts, and are cash settled (i.e. no physical delivery is available). By entering into a Margin FX transaction, you are either entitled to be paid an amount of money or required to pay an amount of money depending on movements in the price of the contract. The amount of profit or loss will be the difference between the price when a Margin FX transaction is opened and the price when it is closed, adjusted to reflect fees and charges, where applicable.

What are the characteristics of Margin FX offered by ILQ?

Margin FX are the over-the-counter (OTC) derivatives. Margin FX are not traded on a licensed financial market, or exchange, but are bilateral agreements between you and ILQ, with each party responsible for assessing the credit standing and capacity of the other party before entering into the transaction.

Key features of Margin FX offered by ILQ include:

- The underlying product in the Margin FX are non-deliverable and automatically roll over at the end of the day or expiry date until the position is closed;
- Margin FX are traded between you and ILQ and are not traded on any exchange; and
- Margin FX are non-transferrable so that a Margin FX position with ILQ cannot be sold to another broker, trader or financial service provider.

Key benefits and risks of Margin FX are discussed in sections 5 and 6 below.

5. Key Benefits of Margin FX

The trading of Margin FX provides a number of benefits which must, of course, be weighed up against the risk of using them. Benefits include:

5.1 Hedging

You can use Margin FX product to hedge foreign exchange exposures. Our foreign exchange products provide foreign exchange risk management tools to enable those with foreign currency exposures to protect their business against adverse exchange rate movements, provide certainty of foreign exchange rates, exposures and cashflow certainty.

5.2 Speculation

You can also use these financial products for speculation or the view to profiting from exchange rate fluctuations and the rises and falls in the gold silver and oil prices.

5.3 Market Position

You can potentially profit (and lose) from both rising and falling markets depending on the strategy you have employed. Strategies may be complex and strategies will have different levels of risk associated with each strategy.

5.4 Leverage

The use of our financial products involves a high degree of leverage. These contracts enable a user to outlay a relatively small amount (in the form of premium or initial margin) to secure an exposure to the underlying currency or financial product. This leverage can work against you as well as for you. The use of leverage can lead to large losses as well as large gains.

5.5 The Trading Platform

There are significant benefits associated with the use of our Trading Platform. These include:

- the ability to trade in small amounts as little as USD 1 with our Notional Accounts and USD 1,000 with our Standard Accounts;
- real-time streaming of quotes and the facility to check your accounts and positions in real time and 24 hours a day;
- Margin FX market open at 05:00 pm American EST time on Sunday and close at 05:00 pm American EST time on Friday night. They are open 24 hours during this period;
- competitive spreads;
- fast execution;
- multi-bank liquidity;
- free trading tools and charts; and
- full control over your account and positions.

5.6 Orders Types

We offer clients a way of managing the volatility of dealing in our Margin FX by offering a range of orders. Certain Positions can be traded in conjunction with our limit and stop loss orders which are designed to either optimise your exposure to the market or limit your loss by instructing that trades be executed at pre-determined price levels.

Important notice about this section

If you request placement of one of the types of orders described in this section, we have an absolute discretion whether or not to accept and execute any such request.

5.6.1 Stop-loss Orders

A stop-loss order is an order placed with the aim of limiting the potential loss on an open position. A stop-loss order allows you to specify a price at which you wish to close-out a Position or open a Position.

Stop-loss orders must be placed at a minimum distance from our current bid and offer prices. The minimum distance away from a stop-loss order placement is specified on our website and will be advised to you upon request.

We will execute a stop-loss order once the offer price reaches the order price in the case of a buy-order, or our bid price has reached the order price in the case of a sell-order.

We note that stop losses are not guaranteed and the execution of such orders will depend on market volatility and liquidity. A stop-loss order is triggered automatically when the stop-loss price is reached. Once the stop-loss price is reached, the stop-loss order becomes a market order to buy or sell (depending

on your instructions). The stop-loss order could be activated by a short-term fluctuation in the markets, or in a fast-moving market, the price at which the trade is executed could be much different from the stop-order price. This is known as “gapping” and is due to market movements during the time it takes to open or close Positions.

The operation of these order types should be discussed with one of our representatives. You should also refer to our Client Agreement with respect to the operation of these order types.

5.6.2 Stop-entry Orders

A stop-entry order is an order placed to open a new Position or increase an existing Position at a price which is inferior to the current market price. You may use this type of order when you expect that the price will move significantly in the future from its existing trading range.

Stop-entry orders can be placed to open new Positions in all of our products.

You should also note that stop-entry orders must be placed at a minimum distance from a current bid and offer prices, which distance is determined at our discretion. You should refer to our website or contact us for information about the levels at which you may place stop-entry orders.

5.6.3 Limit Orders

A Limit Order may be used by you to either open a closed position at a predetermined price that is more favourable to you than the current market price.

We will execute your Limit Order when our offer price has reached the price of your buy-limit order or our bid price has reached the price of your sell-limit order.

5.6.4 Pending Order

A Pending Order fulfills the same function as a New Order.

A New Order is an instruction by you to either buy or sell a Margin FX at a price outside the current quote. There are four types of Pending Order:

- Buy Stop Order - an Order to open a long Margin FX at a price higher than the price at the time of placing the Order.
- Sell Stop Order - an Order to open a short Margin FX at a price lower than the price at the time of placing the Order.
- Buy Limit Order- an Order to open a long Margin FX at a lower price than the price at the time of placing the Order.
- Sell Limit - an Order to open a short Margin FX at a price higher than the price at the time of placing the Order.

Pending Orders are subject to Gapping.

5.6.5 Trailing Stop Order

A Trailing Stop Order is a type of Stop Loss Order and is an instruction by you to close an Open Position at a price less advantageous than the Quote at the time it is placed but it is designed to track the movement of profitable positions and move accordingly.

You may set a Trailing Stop Order at the following times:

- When you place a trade which then acts as a Trailing Stop Loss Order instruction to close the Open Position; or
- When you amend a Stop Loss Order to a Trailing Stop Order

Trailing Stop Orders are subject to Gapping.

Trailing Stop Order Example

The market price for the AUD/USD is 1.0200/1.0203. You believe that the AUD/USD will rise and so you Buy 1 lot AUD/USD at 1.0203. You would like the Stop Loss Order affiliated to the position to track a rise in the AUD/USD and so you opt for a Trailing Stop Order, which is set at 1.0175. The increment size for the AUD/USD is 25 pips, which means the Order moves in increments of 25 pips.

The price of AUD/USD moves higher. When the bid price of our quote reaches 1.0228, the level of the Trailing Stop Order moves up 25 pips to 1.0200. For every further 25 pips move higher in the bid price of the quote above 1.0228 there is a 25 pips move higher in the level of the Trailing Stop Order. The price of the AUD/USD continues to move higher and the bid price of the quote reaches a high of 1.0328, by which time the level of the Trailing Stop Order has moved up to 1.0300, before the price starts falling. As the AUD/USD price falls, the level of the Trailing Stop Order stays set at the highest level it reached 1.0300. The price continues to fall and the bid price of the quote falls to 1.0300 at which point the Trailing Stop Order is activated and your position is closed.

5.7 Order Durations

5.7.1 Good until Cancelled (GTC)

All Orders placed through the MT4 platform are GTC Orders. This means that the Order that you have placed will remain in effect until cancelled by you. New Orders and Limit Orders default to GTC Orders.

Notwithstanding the Order duration types above, an Order will remain in effect until one of the following occurs: (1) it has been cancelled by you or us; or (2) the Order is executed by us; or (3) we no longer provide a quote for that particular Margin FX.

In addition, Limit Orders, Stop Loss Orders, Pending Orders and Trailing Stop Orders will no longer be in effect if the Open Position to which such Order relates is closed by you or us or otherwise in accordance with the Client Agreement including as a result of that open Position expiring or being rolled-over.

5.8 How to place market orders with us

Market orders may be placed online via our Trading Platform. If you require assistance you should contact one of our representatives.

5.9 Fees for placing market orders

There are no fees associated with using working orders via our online Trading Platform.

5.10 Our right to impose orders

You acknowledge that under the Client Agreement we may impose a Stop-loss order on one or more of your Positions.

6. Key Risks of Margin FX

6.1 Introduction

You should carefully consider whether dealing in Margin FX is appropriate for you in the light of your personal circumstances, financial situations or needs. In deciding whether or not you wish to become involved in these transactions, you should be aware that these products are speculative in that they are highly leveraged and carry a significantly greater risk than non-gearred investments. Consequently, you could lose large amounts of money and may sustain losses in excess of the moneys you initially deposited with us and also in excess of the Margin required to establish and maintain your Margin position.

We will not give you any personal financial product advice in relation to Margin Contracts. We will only be providing you with general advice and as such, this advice will not take into account your objectives, financial situation or needs. Accordingly, you should obtain your own financial, legal, taxation and other professional advice as to whether Margin Contracts are an appropriate investment for you.

The risks also include the following:

6.2 Loss of Money

You may incur losses to the extent of your total exposure to us and any additional fees and charges that you are liable to pay to us. These losses may be far greater than the money that you have deposited into your Account or are required to satisfy Margin requirements. In addition, you could be required to pay further funds that represent losses and other fees on your open and closed positions.

You should be aware that if you acquire a Margin Contract for other than proper hedging purposes you will be fully exposed to movements in the price of the Underlying Instrument.

The risk of loss will be increased where you borrow to acquire the product as the total loss which may be incurred will be the loss on the product together with the amount you borrowed and any associated borrowing costs.

6.3 Risk Resulting from Margin Calls

The risks associated with the obligation to meet Margin Calls are described in sections 9.4 and 9.5. If the Margin Contract price moves against your Margin FX Contract Position you may be required, at short notice, to deposit further moneys with us in order to satisfy your Total Margin Requirement and maintain your Position. The amount of the additional Margin may be substantial and failure to pay it promptly may result in:

- some or all of your open Positions being closed or liquidated by us;
- you being prevented from opening new Positions or extending existing Positions; and
- you being liable for interest charges on negative or debit balances.

Further, any additional funds must become cleared before they will be taken as satisfying your Margin Call. In some circumstances, your position may be liquidated before you have an opportunity to deposit additional funds before any additional funds that you deposit in response to a Margin Call have had the opportunity to become Cleared Funds

6.4 Derivative Markets

Derivative markets are speculative and volatile, as explained elsewhere in this PDS. Margin Contracts are derivative instruments and can be highly volatile. Under certain market conditions, the price of contracts may not maintain the usual relationship with the Underlying Markets because of unforeseeable events or changes in conditions, none of which can be controlled by us.

ILQ operates what is known as a market maker model. Under this model, each Margin Contract transaction creates a direct financial exposure for the provider, which may or may not be hedged in the Underlying instrument.

The prices of Margin Contracts will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and their prevailing psychological characteristic of the underlying markets.

6.5 Leverage Risk

You should be aware that trading in leveraged products such as Margin FX offered by ILQ is one of the riskiest forms of investment available in the financial markets and may not be suitable for all investors. In deciding whether or not you wish to become involved in dealing in Margin FX, you should be aware that Margin FX are speculative products that are highly leveraged and carry significantly greater risk than non-g geared investment products such as share trading and you could lose large amounts of money. You may sustain losses in excess of the Margin Requirement needed to establish and maintain a Margin FX position. It is possible that you could sustain a loss of all of your initial investment or even more in extreme market circumstances (such as gapping in the underlying market) and therefore, you should not invest money that you cannot afford to lose. In particular, you should be aware that using a credit card as opening collateral exposes you to the risk of double leverage, being the combined effect of using a credit card to fund a leveraged trading account.

6.6 Counterparty Risk

As ILQ is the market maker i.e. the issuer of the Margin FX products described in this PDS, ILQ is the counterparty to every contract. You will have an exposure to us in relation to each contract as is common to all OTC financial market products. You are therefore exposed to the financial and business risks, including credit risk, associated in dealing with ILQ and reliant on ILQ's ability to meet its counterparty obligations to you to settle the relevant contract. Our ability to fulfill our obligations is linked to our financial wellbeing, which is commonly referred to as credit or counterparty risk. You must make your own assessment of our ability to meet our obligations.

ILQ has not been rated by an external credit rating agency. If we were to become insolvent, we may be unable to meet our obligations to you. If we default on our obligations, you may become an unsecured creditor in an administration or liquidation, and you will not have recourse to the underlying assets in the event of insolvency. ILQ may become unable to operate its Margin FX market as a result of a regulatory impediment (for example ILQ ceasing to hold an Australian Financial Services License or because ASIC imposes a stop order on the PDS issued by ILQ).

You are reliant on ILQ's ability to meet its counterparty obligations to you to settle the relevant contract. ILQ are directly exposed to your position. In the event ILQ chooses to use counterparties to hedge, wholly or

partly, we will select suitable hedging counterparties to do so. In selecting the counterparties, ILQ will consider competitive rates, efficiency of service, reliability of technology, financial standing and reputation.

ILQ employs a high level of corporate governance. We produce a range of financial reports on a monthly basis including cash flow projections, a profit & loss statement and a balance sheet. The cash flow projections are prepared for the ensuing 12-month period and updated on a quarterly basis, taking into account all the projected costs and revenues of running the business. All the assumptions made in deriving the projections are documented. The cash flow projections, the profit & loss statement calculation of net tangible asset requirements, and the balance sheet are presented at the monthly board meeting. Projections are approved, and the balance sheet is considered to ensure that the company can meet its financial obligations.

Financial markets can be very volatile and market exposure can sometimes have a substantial impact on financial resources. Our net tangible asset or risk capital will be increased proportionately to our level of risk calculated by using propriety algorithms that measure, among other things, volatility and exposure in real time.

6.7 Dealing May Be Affected by Factors in the Underlying Market

Our prices are derived from prices in the Underlying Market under certain market conditions, it could become difficult or impossible for you to manage the risk of open Positions by entering into opposite Positions in another contract or closing existing Positions.

The Underlying Market may lack liquidity, caused by insufficient trading activity or because the aggregate of all requests for orders at a particular price determined by us exceeds the available volume in that market. This may affect our ability to offer Margin FX in sufficient volume to allow you to close-out your Position or open a new Position.

As a result, a potentially profitable deal may not be executed, or it may not be possible to close-out a Position in a timely fashion at the price you require. This may lead to reduced profits and high losses.

We have the right to close your open Position, limit the size of your open Position or refuse orders to establish new Positions, by giving you notice orally or in writing. You should refer to clause 15.1 of the Client Agreement.

6.8 Pricing

The spread is the difference between the bid price (sell) and the ask price (buy). Our spreads are at fair market value. Fair market value is influenced by a number of factors to include but not limited to size, trading session, economic news releases, available liquidity, economic stability, or a catastrophic event.

You should also note that a “spread position”, that is, the holding of a bought contract for one specified date and a sold contract for another specified date, is not necessarily less risky than a simple “long” (ie bought) or “short” (i.e. sold) Position.

6.9 Not a regulated market

As pointed out above, we are the market maker and contracts entered into with us are not traded on a licensed market. Accordingly, the protections associated with licensed markets are not available to individuals, corporations or other entities trading in our products.

6.10 Regulatory Risk

Changes in taxation and other laws, government fiscal, monetary and regulatory policies may have a material adverse effect in your dealings in contracts with us.

6.12 Systems risk

We outsource the operation of our online Trading Platform for dealings in Margin FX to a third party. Accordingly, we rely upon this third party to ensure the systems are updated and maintained. But, there are operational risks associated with any trading platform and any disruption may mean that you will be unable to trade in the product with us when desired. Accordingly, you may suffer a loss as a result caused by a delay in our operational processes such as communications, computers, computer networks, software or external events that cause delays in the execution and settlement of a transaction. We do not accept or bear any liability whatsoever in relation to the operation of the Trading Platform, except to the extent that it is caused by fraud or dishonesty on our part or on the part of our employees, agents or representatives.

We reserve the right in unforeseen and extreme market situations to suspend the operation of our Trading Platform or any part or section of it. In such an event, we may, at our sole discretion, and under the Client Agreement, with our without notice, close-out your open contracts at prices we consider fair and reasonable at such time.

6.13 Changes in Margin Percentage

We may exercise our right under the Client Agreement to alter the Margin Percentage in relation to any of our products at any time at its discretion. Notification of this alteration can be given to you either orally or in writing. The alteration will take immediate effect over the affected open positions. This change will affect your Margin Requirement.

You should refer to section 9 of this PDS for further information.

6.14 Stop Orders and Limit Orders are not guaranteed

The placing of a Stop Order can potentially limit your loss, however, we do not guarantee that a Stop Order will do so. Similarly, a Limit Order can maximise your profit but there is also no guarantee of this. This is because, for example, foreign exchange markets can be volatile and unforeseeable events can occur which mean that it is possible that Stop Orders and Limit Orders may not be accepted, or may be accepted at a price different to that specified by you. You should anticipate being stopped out at or limited at a price worse than the price you set. You may suffer losses as a result.

6.15 Suspension and market disruption

The nature of Underlying Instrument and Margin Contract offered by us may not be constant. It could be affected by changes in market conditions or its own conditions. These changes may include:

- (i) a monetary union resulting from an arrangement where several countries have agreed to share a single currency amongst themselves (e.g. EURO);
- (ii) a change in Underlying Instrument that may result in ILQ unable to hold, purchase or borrow any relevant underlying securities or our ability to hold, purchase or borrow such securities

- becomes in our reasonable opinion at any time materially impaired or restricted for whatever reason;
- (iii) trading in any relevant Underlying Instrument on any exchange is limited or suspended; or
 - (iv) trading on any exchange or market is limited or suspended so as to restrict trading of any relevant Underlying Instrument.

As a result of these changes, we may no longer be able to perform our obligations under the Margin Contract on the same economic basis as that Underlying Instrument the terms of the Contract was originally entered into. In considering the circumstances, prevailing market conditions and the effects of the change on the Underlying Instrument, we may, at our discretion, determine and undertake the necessary actions, including the following:

- a) closing out the relevant position;
- b) by notice inform you of an amendment to the Initial Margin requirement with respect to the relevant position;
- c) we may reserve the right to pass on to you any additional stock borrowing costs incurred by us during exceptional market conditions, as reasonably determined by us and notified in advance to you;
- d) we may determine and make the appropriate adjustment, if any, to the Contract Price and/or the relevant Contract quantity as we will reasonably consider appropriate to account for the diluting or concentrative effect of the adjustment or otherwise necessary to preserve the economic equivalent of the rights and obligations of the parties under the relevant contracts.

7. Holding your Money

7.1 Segregated Account

We will handle all client funds we received in accordance with and subject to Part 7.8 of Division 2 of the Corporations Act and ASIC Regulatory Guide 212: Client money relating to dealing in OTC Derivatives. Where required, client funds will be deposited into a segregated account maintained by us with an authorized deposit-taking institution or approved foreign bank. However, you should not think that we are entitled, amongst other things, to:

- withdraw, deduct or apply any amounts payable by you to us and/or any associate of ours under the Client Agreement from your moneys held in any segregated account or invested by us including, without limitation making a payment for, or in connection with the deposits, installments adjusting or setting of dealings in our products entered into by you or the payment of charges or interest to us, with all such amounts belonging to us under the Client Agreement;
- pay, withdraw, deduct or apply any amounts from your moneys held in any segregated account or invested by us as permitted by the Australian Client Money Rules; and
- use such moneys for the payment of amounts to counterparties with whom we may enter into derivatives to hedge our exposure to you in connection with Margin FX or hedge our exposure to other clients who have entered into these financial products under the Client Agreements with us.

Your moneys may be co-mingled into one or more segregated accounts with our other customers' moneys. You should note that you are not entitled to interest earned on your account. Furthermore, the client moneys will not be invested by us.

We are also obliged to deposit any moneys due to you in relation to dealings in our products and we must deposit them into a segregated account.

Those obligations to you under the Client Agreement and our products are unsecured obligations, meaning that you are an unsecured creditor of us.

7.2 Protection afforded by the Australian Client Money Rules

Under the Australian Client Money Rules, we must hold your moneys on trust. ILQ currently segregates the client money of Australian domiciled persons from the client money from non-Australian domiciled persons. Both Australian domiciled and non-Australian domiciled client money is held in separate trust accounts in an authorized deposit-taking institution. Furthermore, the Australian Client Money Rules provide that in the event that we lose our Australian Financial Services License, become insolvent, merge with another licensee or cease to carry on some or all of the activities authorised by the license, customer money held by us or an investment of customer money, will be dealt with as follows:

- money in the segregated account is held in trust for the persons entitled to it, and is paid in the order set out below in the third bullet point below;
- if money in the segregated account is invested, the investment is likewise held in trust for each person entitled to money in the account;
- the money in the account is to be paid in the following order:
 - money that has been paid into the account in error;
 - the next payment is payment to each person who is entitled to be paid money from the account;
 - if the money in the account is not sufficient to be paid in accordance with the above paragraphs, the money in the account must be paid in proportion to the amount of each person's entitlement; and
 - if there is any money remaining in the account after payments made in accordance with the above paragraphs, the remaining money is payable to us.

These rules override anything to the contrary in the Australian Bankruptcy Act 1966, in the Corporations Act or other law, in the Client Agreement.

We are entitled to keep hold of your funds in your account to cover negative cash balances, Margin, any funds, including without limitation, cheque or credit card payments, unrealised losses and realised losses and any other amounts due under the Client Agreement. We also have the right to deduct, without notice or recourse to you, any monies deposited or credited to your account in error by us.

7.3 Warning about segregated accounts

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

The purpose of segregated accounts is to segregate our customers' money, including your moneys, from our own funds. However, individual customer's money are co-mingled into one or more segregated customer accounts.

Furthermore, segregated accounts may not protect your moneys from a default in the segregated customer accounts. Should there be a deficit in the segregated accounts and in the unlikely event that we become insolvent before the topping up of the segregated accounts in deficit, you will be an unsecured creditor in relation to the balance of the moneys owing to you.

7.4 What is an unsecured creditor?

In the event that you become an unsecured creditor of us, you will need to lodge a proof of debt with the liquidator for the amount of moneys that are owing to you as evidenced by your account statements. The liquidator then assesses all proofs of debts to determine which creditors are able to share in the assets of the company, and to what extent depending on the amounts owing to them and any priority they may have to be paid.

8. Trading Margin FX with ILQ

8.1 What account types are offered by ILQ

Through our MT4 Platform, we offer a Notional Account which allows clients to trade as low as 1 USD (whichever currency the client had deposited in), as well a Standard Account which allows clients to trade as low as 1,000 USD (whichever currency the client had deposited in). The MT4 Trading Platform is a third-party software that we are licensed to use and offer to clients. We do not warrant its error free functionality. Details of our platforms are set out below.

Description/Platform	MT4 – Notional Account	MT4 – Standard Account
Fixed/Floating	Floating	Floating
Instruments	50 pairs	50 pairs
Pricing Digits	5	5
Lot Size	Notional sizing: 1 = 1 dollar	Lot sizing: 1 = 1 lot = 100,000 dollars
Expert Advisors	Yes	Yes
Leverage/Account Size	200:1 by default Up to 400:1 upon request	200:1 by default Up to 400:1 upon request

We also offer institutional platform for high volume traders, professional traders and institution traders. This is MT4 trading platform delivers instantaneous trade execution from over 20 instantaneous bank price feeds. If you are in the category, please contact our sales or customer service for details.

Important note: It is your sole responsibility to familiarise yourself with the features of various account types, such as leverage and account size. We are not liable for any loss incurred by you as a result of, or in connection with the use of such trading platforms. If you are unsure of the features of the platforms or account types or how they operate, please ensure to speak to one of our customer service representatives before opening an account with us.

8.2 How do I commence trading with ILQ?

Before you begin dealing in our Margin FX products, you must complete an Application Form and be approved by us to open an account. There are 3 Application Forms, one for applicants that are individuals (including joint applicants), one for corporations and one for trusts. Before completing the appropriate Application Form you should read:

- this PDS,
- the Client Agreement, and
- the FSG.

The Application Forms are available on our website or can be obtained by contacting us. You must provide us with your Application Form, or at any time requested by us, such of the documentation as set out in the Application Form.

The Application Forms require you to disclose personal information. You will also be asked to provide us with your trading experience, frequency of trading and risk capital. You may also be required to complete a questionnaire to allow us to assess your understanding in trading in margin FX. If you are not familiar with how trading works, or the risks or benefits of trading in margin FX, then you are strongly recommended to trial our demo account and seek professional advice first before applying to open an account with us. We may not accept your application if we do not believe you have sufficient experience or understanding in the FX market. We have absolute discretion to accept or refuse an application without providing you with our reason.

You should also refer to the privacy statement in section 25, which explains how we collect personal information and then maintain, use and disclose that information.

8.3 What Currency Pairs are offered by ILQ?

AUD/CAD	EUR/CHF	EUR/SGD	NOK/JPY	USD/HKD
AUD/CHF	EUR/CZK	EUR/TRY	NOK/SEK	USD/HUF
AUD/JPY	EUR/DKK	EUR/USD	NZD/CAD	USD/JPY
AUD/NZD	EUR/GBP	EUR/ZAR	NZD/CHF	USD/MXN
AUD/USD	EUR/HUF	GBP/AUD	NZD/JPY	USD/NOK
CAD/CHF	EUR/JPY	GBP/CAD	NZD/USD	USD/PLN
CAD/JPY	EUR/NOK	GBP/CHF	USD/CAD	USD/SEK
CHF/JPY	EUR/NZD	GBP/JPY	USD/CHF	USD/SGD
EUR/AUD	EUR/PLN	GBP/NZD	USD/CZK	USD/TRY
EUR/CAD	EUR/SEK	GBP/USD	USD/DKK	USD/ZAR

Currency pairs may be added to or removed from this list from time to time.

8.4 The Base Currency of your Account

ILQ offers account denominations in Australian Dollar and US Dollar.

All your profits, losses, Rollover Charges and Benefits and Financing Charges or Benefits in relation to a Margin FX are denominated in the currency of the Margin FX. If you do not nominate a base currency, it will be defaulted to US Dollars.

All foreign currency cash balances and unrealised profits and losses shown in your Account can be notionally converted by us into your Base Currency using our applicable prices in order to calculate your Total Equity in the Base Currency of your Account.

Upon you closing or offsetting a Margin FX Position denominated in a foreign currency, all profit or loss will be automatically converted to the Base Currency of your Account using our exchange rate.

How do I open and close a Margin FX?

A position is opened by either buying or selling a Margin FX transaction.

Buying: In general, if you expect an instrument to rise in value, you will buy to open a “long” position.

Selling: In general, if you expect an instrument to fall in value, you will sell to open a “short” position.

Margin FX Example:

If the current exchange rate for the AUD against the US dollar is quoted at 1.0300, this means that one AUD is equal to 1.0300 US dollars.

A foreign exchange quote: e.g. AUD/USD 1.0300/1.0302 represents the Bid/Offer spread (in this case for AUD/USD). This quote means that you can:

Buy AUD at 1.0302 against the US dollar; and/or

Sell AUD at 1.0300 against the US dollar

Closing a Margin FX Position:

You close a Margin FX position by right clicking on the position and selecting “Close Order” within the MT4 Trading Platform and then confirming the close by clicking "Close" in the order window.

We are entitled to close open Positions for a number of reasons including without limitation: event of default, force majeure event, suspension or de-listing of an Underlying instrument to which a transaction relates, suspension of an account and termination of the Client Agreement. Events of default include, for example, where you fail to make a payment or perform your obligations, where you become bankrupt or insolvent or where we have been unable to contact you for urgent instructions. Our powers enable us to terminate or close-out positions, recover amounts owing from you, enforce securities we hold and set off payments, amongst others.

8.5 Price Movements (What are pips?)

PIPs in FX Contracts:

In FX contract trading, price movements are measured in pips, as opposed to ticks which are used to measure price movements in many other financial instruments.

For all currency pairs except those for which JPY is the counter-currency (second currency), the place value of a pip is the fourth digit to the right of the decimal point. For currency pairs with JPY as the counter-currency, the place value of a pip is the second digit to the right of the decimal point.

Pip Example (AUD/JPY): A movement in the price of AUD/JPY from 82.89 to 82.90 would be a change of 1 pip.

Pip Example (all other pairs): A movement in the price of GBP/USD from 1.6103 to 1.6104 would be a change of 1 pip.

8.6 Position Rollovers

ILQ will automatically rollover all open FX Contract positions in your account to the following business day unless you close your position(s) prior to 16:59 New York Time. ILQ will charge you a fee in respect to each such position that is rolled over. Refer to "Rollover" in section 10.1 in this PDS.

Trade Example

Margin FX Trade Example

1: Buying AUD/USD

Opening the position

You decide to go long of the AUD against USD, and ask for a quote for 1 lot, the equivalent of A\$100,000 (lot sizes are set out in the Market Information Sheet). We quote you 1.03000/1.03020 and you buy 1 lot at 1.03020.

Swap adjustments

While the position remains open, an overnight adjustment is debited or credited to your account using the applicable swap rate.

In this example, the credit for one day might be US\$7.89 (see Section 10.1 for detail of overnight Tom-Next).

Closing the position

One week later, AUD/USD has risen to 1.04120/1.04140, and you take your profit by selling 1 lot at 1.04120. Your gross profit on the trade is calculated as follows:

Original transaction: A\$100,000 (1 lot) x 1.03020 = US\$103,020.00

Offsetting transaction: A\$100,000 (1 lot) x 1.04120 = US\$104,120.00

Gross profit on trade: = US\$1,100.00

Calculating the overall result

To calculate the overall or net profit, you also have to take account of the interest credit. In this example, you might have held the position for 7 days, earning a total interest credit of US\$55.23:

Gross profit on trade: US\$1,100.00

Interest credit: US\$55.34

Net profit: US\$1,155.34 = A\$1,109.62 equivalent

You can choose which currency you wish to hold your account balance in.

Conversions will be made at ILQ's prevailing market rates.

Please note: 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 1.02000 -1.02020 you sell the AUD at the bid of 1.02000 you will make the following loss: US\$1,020.00

2: Selling AUD/USD

Opening the position

You decide to short the AUD against USD, and ask for a quote for 1 lot, the equivalent of A\$100,000 (lot sizes are set out in the Market Information Sheet). We quote you 1.03000/1.03020 and you sell 1 lot at 1.03000.

Swap adjustments

While the position remains open, an overnight adjustment is debited or credited to your account using the applicable Tom-Next rate.

In this example, the debit for one day might be US\$18.12 (see Section 10.1 for detail of overnight Tom-Next).

Closing the position

One week later, AUD/USD has fallen to 1.02000/1.02020, and you take your profit by buying 1 lot at 1.02020. Your gross profit on the trade is calculated as follows:

Closing transaction: A\$100,000 (1 lot) x 1.02020 = US\$102,020.00

Opening transaction: A\$100,000 (1 lot) x 1.03000 = US\$103,000.00

Gross profit on trade: = US\$1,080.00

Calculating the overall result

To calculate the overall or net profit, you also have to take account of the interest debit. In this example, you might have held the position for 7 days, paying a total interest debit of US\$126.84:

Gross profit on trade: US\$1,080.00

Interest debit: US\$126.84

Net profit: US\$953.16 = A\$934.28 equivalent

You can choose which currency you wish to hold your account balance in.

Conversions will be made at ILQ's prevailing market rates.

Please note: 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 1.04000 -1.04020 you buy the AUD at the offer of 1.04020 you will make the following loss: US\$1,000.00

3: Buying AUD/USD with a loss

Opening the position

You decide to go long of the AUD against USD, and ask for a quote for 1 lot, the equivalent of A\$100,000 (lot sizes are set out in the Market Information Sheet). We quote you 1.03000/1.03020 and you buy 1 lot at 1.03020.

Swap adjustments

While the position remains open, an overnight adjustment is debited or credited to your account using the applicable Tom-Next rate.

In this example, the credit for one day might be US\$7.89 (see Section 10.1 for detail of overnight Tom-Next).

Closing the position

One week later, AUD/USD has fallen to 1.02120/1.02140, and you take your loss by selling 1 lot at 1.02120. Your gross loss on the trade is calculated as follows:

Closing transaction: A\$100,000 (1 lot) x 1.02120 = US\$102,120.00

Opening transaction: A\$100,000 (1 lot) x 1.03020 = US\$103,020.00

Gross loss on trade: = US\$900.00

Calculating the overall result

To calculate the overall or net loss, you also have to take account of the interest credit. In this example, you might have held the position for 7 days, earning a total interest credit of US\$55.23:

Gross loss on trade: US\$900.00

Interest credit: US\$55.34

Net loss: US\$844.66 = \$827.15 equivalent

You can choose which currency you wish to hold your account balance in.

Conversions will be made at ILQ's prevailing market rates.

4. Selling AUD/USD with a loss

Opening the position

You decide to short the AUD against USD, and ask for a quote for 1 lot, the equivalent of A\$100,000 (lot sizes are set out in the Market Information Sheet). We quote you 1.03000/1.03020 and you sell 1 lot at 1.03000.

Swap adjustment

While the position remains open, an overnight adjustment is debited or credited to your account using the applicable Tom-Next rate.

In this example, the debit for one day might be US\$18.12 (see Section 10.1 for detail of overnight Tom-Next).

Closing the position

One week later, AUD/USD has risen to 1.04000/1.04020, and you take your loss by buying 1 lot at 1.0402. Your gross loss on the trade is calculated as follows:

Closing transaction: A\$100,000 (1 lot) x 1.04020 = US\$104,020.00

Opening transaction: A\$100,000 (1 lot) x 1.03000 = US\$103,000.00

Gross loss on trade: = US\$1,020.00

Calculating the overall result

To calculate the overall or net loss, you also have to take account of the interest credit. In this example, you might have held the position for 7 days, paying a total interest debit of US\$126.84:

Gross loss on trade: US\$1,020.00

Interest debit: US\$126.84

Net profit: US\$1,146.84 = A\$1,102.73 equivalent

Conversions will be made at ILQ's prevailing market rates.

8.7 Trade Confirmations

Trades and Orders, once executed, will be confirmed on-screen. You can print the trade confirmation for your record.

Trade history and all account transactions can be viewed in the account area of the Trading Platform. You can also request full account statements by contacting our client support team.

8.8 Minimum Trade Sizes

Minimum trade sizes for Margin FX are set out in the Market Information Sheet. These may be varied from time to time and you should check the current Market Information Sheet for up to date information before entering any trades.

9. Margins and margin calls

Margin FX Contracts are subject to Margin obligations. Margin refers to the minimum amount that you must have in your account to enter into a Margin FX Contract with ILQ.

There are two components of the Margin which you may be required to pay in connection with Positions. These are the initial Margin and variation Margin.

9.1 Initial Margin

The initial Margin is an amount of money which we will call from you at the time the Position is entered into. The initial Margin is an amount we call to protect ourselves against possible market movements. When

you open a Position with us in Margin FX you will need to have sufficient Total Equity in your Account to satisfy the Margin Requirement for that Position. Margin Percentages vary with each product and a list of them as at the date of this PDS are set out in our Market Information Sheet.

9.2 Variation Margin

The variation Margin is an amount which we may call from you when a Position moves against you. Again, this amount is determined by us in our discretion and is intended to protect us against unrealized losses which you may have incurred.

The variation Margin liability is incurred at the time of the occurrence of any movement in the market that results in an unrealised loss, regardless as to when the call to pay is made by us on you.

9.3 Margin Calls

ILQ requires clients to have sufficient margin in their account to cover any losses which they might incur. As soon as this is no longer the case, ILQ will start the process of closing open positions, using the prevailing market rates at the time of closing, in order to prevent the possibility of further losses.

An ILQ account will receive a Margin Call Warning when the equity value of the account becomes equal to or less than 125% of the margin in use (i.e. the margin required to initiate all open positions). A Margin Call Warning is intended to be a signal to clients that if positions are not manually closed, or if funds are not added to the account, the clients will be in risk of having open positions automatically liquidated (i.e. a Margin Call Liquidation).

Additionally, a client who receives a Margin Call Warning will not be able to initiate new positions until the equity value of their account exceeds the 125% threshold of the margin in use. ILQ trading platform issues Margin Call Warnings via a feature embedded in the trading platform which highlights the bottom account summary bar in the trade terminal window bright red. If a client receives a Margin Call Warning from their trading platform, ILQ suggests that the clients proactively manage their account to avoid the automatic closing of the positions in their account (i.e. a Margin Call Liquidation).

ILQ executes Margin Call Liquidations, in an effort to protect both the company and the client, if the client's account equity value falls to the level of 100% of the margin in use. You are responsible for monitoring your account to ensure you are not at risk of Margin Call Warning or a Margin Call Liquidation.

Please note: in a quickly moving market, or in the case of a weekend gap, there may be little time between warnings, or there may not be sufficient time to warn you at all.

When faced with a potential Margin Call Warning or Margin Call Liquidation, ILQ suggests that you take proactive measure to manage your account. For example:

- monitor the status of your account continuously
- if necessary, close individual positions to reduce the amount of margin required
- if necessary, transfer additional funds into your account. Note, however, that delays in fund transfers could cause the funds to arrive too late.

10. Fees, cost and charges

Whilst we endeavour to include all fees and charges in the spread quoted, in some circumstances you may incur fees and charges.

When trading in Margin FX with ILQ you will notice that Margin FX Prices will vary between the bid price and the ask price. As ILQ is a market maker, these prices represent where ILQ will buy Margin FX positions and sell Margin FX positions and these prices may not be the same as prices quoted in the relevant Underlying market. ILQ may adjust the spread having regard to the prevailing market including volatility and liquidity.

The fees and charges when dealing in Margin FX may incorporate any or all of the following:

- Rollover/Swap charges and/or payments at the applicable Swap Rates;
- Administration charges such as conversions fees and wire fees related to deposits, withdrawals, and transfers;
- Commissions, where applicable, may be charged by ILQ directly, or may be collected by ILQ and remitted to your introducing broker.
 - Commissions may be charged directly by ILQ for clients who trade on a professional, or below-retail, price feed.
 - Commissions may be collected by ILQ and remitted to your introducing broker if you agree to compensate your introducing broker with such fees.

The fees and charges may change from time to time and may differ according to whether you are an Australian Client or a Foreign Client but will be notified to you.

Administration service	Fee	Fee
Deposits	Australian Clients	Foreign Clients
Electronic Funds Transfer	\$0 AUD	\$0 USD
Credit Card	\$0 AUD	\$0 USD
Withdrawals	Australian Clients	Foreign Clients
Electronic Funds Transfer	\$25 AUD	\$40 USD
Credit Card	\$0 AUD	\$0 USD

10.1 Rollovers

When you hold a Position or Positions overnight, in a Margin FX, they will be rolled to the next day or next settlement period which may result in you paying interest (Rollover Charge) or receiving interest (Rollover Benefit) at the ILQ Rollover Rate.

Margin FX Contracts

Open spot FX positions held at the end of a trading day at 17:00 New York Time will be rolled over for a new value date on a tom/next basis immediately after the changing of trading day. As part of the tom/next rollover operation, FX positions are subject to a swap charge or credit. The calculated swap charge or credit are referred to as swap point and the amount is debited or credited to your account. In fact, the swap point are the reflection of the interest rate differential between the two applicable currencies (Interbank Rate). For example, if you have a long Australian dollar / US Dollar (AUD/USD) position and interest rates are higher in AUD than in USD, then you may receive a Rollover Benefit of interest at the ILQ Rollover Rate if you hold a position overnight and do not close it before the New York close of the markets on that day. This is because you are holding a high yielding currency. However, if the USD interest rate is higher than AUD then the interest rate differential may cause you to pay a Rollover Charge (being interest at the ILQ

Rollover Rate) if you hold the position overnight and do not close it before the New York close of the markets on that day.

Any interest that you pay or received is reflected in the equity balance and showing in the trade tab under swap.

Example:

AUD/USD tom/next swap is -1.28/- 0.78

You are long AUD/USD 100,000.00

At 5 p.m. New York time your position will be rolled over to the next value date.

Your account will be credited with US\$7.8 (100,000 x 0.78/10000)

10.2 Settlement of Rollover Charges and Rollover Benefits

Rollover Charges and Rollover Benefits will be settled by us on each day by debiting or crediting your Account with the daily interest rate differential between the amount of interest payable by you under the open Position and the amount of interest payable by us to you under the open Position. In the event that there are insufficient funds in your Account, any amount due to us because of the Rollover Charges becomes a debt due and owing by you to us.

10.3 Interest

We are also entitled to retain any interest earned on client money held in the segregated accounts we must maintain under the Corporations Act.

10.4 Conversion Fees

Profits or losses accumulated in your Account in currencies other than the base currency nominated by you will be converted to the nominated base currency, but at spreads that may be wider than those shown on the Trading Platform.

10.5 Dormant Account Fees

We will charge a monthly inactivity charge of USD \$10, which will be deducted per dormant account where funds are available. An account shall be considered dormant if there are no open positions and there has been no other trading activity for a continuous period of two years.

The monthly inactivity charge of USD \$10 will be deducted from your account until either:

- a. The account is closed by the client or ILQ;
- b. Trading activity recommences on the account;
- c. The balance of the account is reduced to zero.

Once the balance of a dormant account has reduced to zero we will not deduct further monthly inactivity charges from the dormant account. A dormant account will not incur a negative balance as a result of the deduction of the monthly inactivity charge.

11. Default powers

We have extensive powers under the Client Agreement to take action in a range of “default event” situations to protect our position. These include, for example, where you fail to make a payment or perform your obligations, where you become bankrupt or insolvent or where we have been unable to contact you for urgent instructions. Our powers enable us to terminate or close-out positions, enforce securities we hold and set off payments, amongst others.

Further, if your unrealised loss in relation to any Margin FX Contract Positions, exceeds 50% of the initial margin we hold for the Position, we are entitled to close-out the Position without further instruction from you.

12. Client Agreement

In order to open an account, you are required to sign the Application Form, under which you agree to be bound by the Client Agreement which contains the terms and conditions which govern our relationship with you.

You should consider seeking independent legal advice before entering into the Client Agreement, as the terms and conditions detailed in it are important and affect your dealings with us.

The following are key terms and conditions in the Client Agreement, many of which have been referred to in this PDS.

- Client representations and warranties
- Margin and Premium
- Client obligations regarding confirmations (discrepancies)
- Our rights following a default event (see below)
- Indemnity in favour of us
- Fees and charges
- Restrictions on assignment of agreement
- Telephone recordings
- Governing law (New South Wales).

13. Discretions

We may exercise a variety of discretions in respect of your trading in financial products. In exercising such discretions, we will have due regard to our commercial objectives, which will include:

- maintaining our reputation as a product issuer;
- responding to competitive market forces;
- managing all forms of risk including, but not limited to, operational risk and market risk; and
- complying with our legal obligations as a holder of an Australian financial services license.

The exercise of discretion may include the adjustment of margin level and temporary suspension of trading platform.

14. Limitations on liability

If you fail to pay or provide security for amounts payable to us, or fail to perform any obligation under your contracts, we have extensive powers under the Client Agreement with you to take steps to protect our position including, for example, power to close-out positions and to charge default interest. Under the Client Agreement, you also indemnify us for certain losses and liabilities. Further, our liability to you is expressly limited. You should read the contract carefully to understand these matters.

15. Taxation considerations

This section contains a summary of the Australian taxation implications for Australian residents dealing in Margin Contracts, and is based on Australian taxation laws as at the date of this PDS. It is provided for guidance only.

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

As profits or losses are assessable or deductible by you, any commissions, interest or other fees that you pay to us should be deductible.

Trading in Margin FX Contracts has the potential for generating substantial profits and the potential for generating substantial losses. The tax implications of such profits or losses may be significant depending upon each individual's financial circumstances. Information regarding income tax and capital gains tax consequences of dealing in Margin FX Contracts may be found at the Australian Taxation Office's website www.ato.gov.au.

Australian residents and non-Australian residents should, therefore, seek professional taxation advice that is based on their individual circumstances and in the case of non-residents the taxation laws of both Australia and their country of taxation.

16. Cooling-off arrangements

There are no cooling-off arrangements for financial products. This means that when we arrange for the execution of a contract, you do not have the right to return the product, nor request a refund of the money paid to acquire the product. You are bound by the terms of a contract, when you enter into it, despite the fact that settlement may occur at a later date.

17. Security

Please note that in accordance with the Client Agreement, and in addition to Margin, you must pay to us such sums of money as we may from time to time require as security for your obligations to us.

18. Superannuation funds

Complying superannuation funds are subject to numerous guidelines and restrictions in relation to their investment activities. These are contained in the Superannuation Industry Supervision Act 1993, the regulations made under that Act, and circulars issued by past and present regulators of superannuation funds, namely the Australian Prudential Regulation Authority and the Australian Taxation Office.

Some of the issues that should be considered by a trustee of a complying superannuation fund before entering into our financial products include:

- prohibitions on borrowing and charging assets and whether dealing in financial products would breach those borrowing and charging prohibitions;
- the dealing in financial products in the context of a complying superannuation fund's investment strategy, together with the fiduciary duties and other obligations owed by trustees of those funds;
- the necessity for trustees of a complying superannuation fund to be familiar with the risk involved in dealing in financial products and the need to have in place adequate risk management procedures to manage the risks associated in dealing in those products; and
- the consequences, including adverse taxation consequences if a superannuation fund fails to meet the requirements for it to continue to have complying status.

19. Disclosure of any relevant conflicts of interest

We do not have any relationships or associations which might influence us in providing you with our services. However, we may share fees and charges with associates or other third parties or receive remunerations from them with respect to your dealings with us.

We will always act as principal for our own benefit in respect of all transactions with you. This means that we, our associates or other persons connected with us may have an interest, relationship or arrangement that is material in relation to any Margin Contract entered into with us, or advice provided by us.

We repeat that we are a market maker, not a broker. Accordingly, you will be trading financial products directly with us, and not on any financial market. As a market maker, we set the prices that refer to, but may not always be the same as, those in the Underlying Market. We will always act as a principal, not as an agent, for our own benefit, in respect of all transactions with you.

20. Remuneration and other benefits received by our employees

Our employees who provide you with advice or transaction execution may receive remuneration for the provision of these services. Our employees also receive salaries, performance-related bonuses and other benefits.

21. Clients may be treated differently

We, in our absolute discretion may quote different prices, and charge Rollover Charges and other charges at different rates, to different clients.

22. Sharing of Commissions and other amounts

We may share charges or benefits with our associates or other third parties or receive remuneration from them in respect of transactions we enter into with you. We may share such amounts with introducing advisers and referrers for the introduction or referral of clients to us.

23. Referral benefits for other services providers

You may have been referred to us by a service provider who may receive financial or non-financial benefits from us. These should have been disclosed to you by the services provider in question. Please note that such benefits will not impact transaction fees, the rate you will be offered or deposits or installments payable for financial products or services undertaken with us.

24. Making a complaint

We have an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. Any complaints or concerns should be directed to the Complaints Officer (by telephone, facsimile or letter) at the address and telephone/fax numbers provided in this PDS. We will investigate your complaint and provide you with our decision and the reasons on which it is based, in writing. We will seek to resolve your complaint within 45 days.

If you are dissatisfied with the outcome, you have the right to lodge a complaint with the Financial Ombudsman Service (FOS), an approved external dispute resolution scheme, of which we are a member, using the contact details below. You may also make a complaint via the ASIC free call Info line on 1300 300 630.

You can contact FOS by any of the means listed below:

In writing to:FOS
GPO Box 3
Melbourne VIC 3001
Telephone: Free call 1300 780 808
Facsimile: +613 9613 6399
Email: info@fos.org.au
Website: www.fos.org.au

25. Our Privacy Policy

We are committed to protecting your privacy in accordance with the Privacy Act 1988 and the Australian Privacy Principles. The information you provide to us and any other information provided by you in connection with your transactions will primarily be used for the processing of your application and for complying with certain laws and regulations. We have systems and processes in place which safeguard against the unauthorised use or disclosure of your personal information.

We may disclose your personal information to external parties, who provide services to us in relation to your account, or to a government or regulatory body (such as ASIC, AUSTRAC or the ATO) or upon a court order, but otherwise, we will not disclose your personal information to any other external parties unless authorised by you or otherwise required by law.

We may use this information to send you details of other services or provide you with information that we believe may be of interest to you. Please contact us at if you have any concerns or if you would like to see a copy of our privacy statement.

26. Recording of telephone calls

As a matter of common industry practice, we may electronically record your telephone discussions with us. When you open an account with us, you give us consent to make such recordings, with or without an automatic tone warning device, and to use recordings or transcripts from such recordings for any purpose, including, but not limited to, their use as evidence by either you or us in any dispute.

27. Labour standards and environmental, social and ethical considerations

We do not take labour standards or environmental, social or ethical considerations into account when offering the Margin Contracts under this PDS.

28. Governing law

This PDS, the Client Agreement and all transactions with us will be governed and construed in accordance with the laws of New South Wales and the Commonwealth of Australia and be subject to the jurisdiction of the Courts of New South Wales.

29. Interpretation and Glossary

Interpretation

- The defined terms used in this PDS are capitalised and set out in this Schedule.
- If there is any conflict between the terms of this PDS and any applicable law, the applicable law will prevail.
- In this PDS any reference to a person includes bodies corporate, unincorporated associations, partnerships and individuals.
- In this PDS, all references to times of the day are to the time in Sydney, New South Wales, Australia, unless otherwise specified.
- In this PDS any reference to any enactment includes references to any statutory modification or re-enactment of such enactment or to any regulation or order made under such enactment (or under such a modification or re-enactment).

Glossary

In this PDS the following terms and expressions have, unless the context otherwise requires, the following meanings:

Account	means an account you have with us;
AEST	means the time in Sydney, New South Wales, Australia.
Client Agreement	means the client agreement, as amended, varied, or replaced from time to time;
AML/CTF Act	means the Anti-Money Laundering and Counter-Terrorism Financing Act and all regulations, rules and instruments made under that Act;
Application Form	means the application form and account opening documentation, including documentation required to be returned for the purposes of complying with Anti-Money Laundering and Counter-Terrorism Financing legislation, completed by you and submitted to us whether electronically or in hard copy;
ASIC	means the Australian Securities and Investments Commission;
AUD	Australian dollars
Australian client	a client who is a resident within Australia (based on the address in their Application Form or as notified by the Client to us from time to time).
Australian Client Money Rules	means the provisions 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	means the currency selected by you under the Client Agreement and which, in the absence of a selection will be AUD dollars;

Business Day	any day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Sydney, New South Wales, Australia;
Cleared Funds	funds that have been deposited with ILQ and are immediately available to us;
Client Agreement	means the client agreement, as amended, varied, or replaced from time to time;
closing price	means the price determined by us, from time to time, having regard to the last traded or mid close price and our Spread as may be appropriate for the Underlying Instrument;
contract price	means the price we offer you to trade in our financial products from time to time and which is calculated by us according to the Client Agreement;
Corporations Act	means the <i>Corporations Act 2001</i> of the Commonwealth of Australia and regulations made under it;
Electronic Service	means a service provided by us, for example an internet trading service offering clients access to information and trading facilities, via an internet service, a WAP service and/or an electronic order routing system and including relevant software provided by us to enable you to use an electronic trading service;
Event of default	means an event as set out in clause 14.1 of the Client Agreement;
exceptional market conditions	means an exceptional market condition as we may in our reasonable opinion determine exists, including but not limited to, a Force Majeure Event;
exchange rate	the foreign exchange rate as we may reasonably determine from time to time having regard to current market rates and which is available to the client from us on request. This rate may be different to the price quoted by us for a Margin FX.
force majeure event	has the meaning given to it in clause 26 of the Client Agreement;
FOS	the Financial Ombudsman Service.
free equity	is your Total Equity less your Margin Requirement;
gapping	Gapping is the exposure to loss from failure of market prices or rates to follow a "smooth" or continuous path due to external factors such as world, political, economic and specific corporate events.
Interbank Rate	the mid interbank rate calculated by us with reference to the bid and offer prices for the Underlying Instrument most recently quoted by any one or more third party banks;

Limit Order	has the meaning described in section 5.6.3 of this PDS;
long party	in relation to a Margin Contract, the party that has notionally bought the relevant Underlying Instrument;
margin	means the amount that you must have in your Account to enter into a Margin Contract with us;
margin adjustment	an adjustment to the amount of Margin you need to have in your Account to maintain a Position, due to us changing the Margin Percentage or making a variation of margin or Margin Call;
Margin Call	a call on you normally made via the Trading Platform, requiring you to top up the amount of money you have in your Account as Margin in order to maintain your Margin Percentage where the market has moved against you, and where the additional payment is required in order to maintain your open Positions;
Market Information Sheet	the terms of issue and details of Margin Contracts, as amended by us from time to time. The Market Information Sheet is available at www.ilq.com.au ;
Margin Contract	any contract, whether oral or written or concluded electronically entered into between you and us and includes Margin FX Contracts;
Margin FX Contract	a contract between you and us for the taking of spot or forward Positions in a foreign currency on a margined basis as described in this PDS;
Margin Percentage	such percentage of the Contract Value as specified by us as described in the current PDS, and as amended by us under the Client Agreement from time to time;
margin requirement	the amount of Margin you are required to have in your Account from time to time in order to enter into a Margin Contract, or to maintain your Position/s;
Minimum Trade Sizes	such minimum contract quantity or contract value as we may specify on our Market Information Sheet from time to time for any type of Margin Contract;
Position	the long or short position you have taken in your Margin Contract with us;
relevant interest rate	such applicable interest rate as we may reasonably select from time to time which is appropriate to the currency of the outstanding amount or the Underlying Instruments (as applicable) as detailed on the daily statement, and are also available from us upon request, as set out in section 10.6 of this PDS.
related body corporate	has the meaning given to it by the Corporations Act, with any necessary modifications for companies incorporated outside Australia;

Rollover Rate	the rate determined by us, from time to time, having regard to Interbank Rates for rollovers;
rollover benefit	a benefit you may receive on Margin FX position held overnight and which is described in section 10.1 of this PDS;
Rollover charge	a charge you may have to pay where you have a Margin FX Position held overnight and which is described in section 10.1 of this PDS;
short party	In relation to a Margin Contract, the party that has sold a Margin Contract in opening a Margin Contract position.
Spread	means the difference in the bid and offer prices of a Margin Contract quoted from time to time by us and, where appropriate, expressed as a percentage of the relevant price;
Stop Loss Order	as described in section 5.6.1 of this PDS;
total equity	means the aggregate of the current cash balance in your Account and your current unrealised profits and losses;
trading platform	means the Trading Platform in the Electronic Service we make available to you by which you may trade with us online in our Margin Contracts;
total margin requirement	the sum of your Margin Requirements for all of your open Positions;
underlying entity	an entity that is the issuer of an Underlying Instrument.
underlying instrument	means the underlying asset, security, commodity, futures contract, or index the reference to which the value of a Margin Contract is determined;
Underlying market	means the underlying market in which the Underlying Instrument is traded.
We/us	means ILQ Australia Pty Ltd (ACN 159 166 739).