



WHOLESALE CLIENT INFORMATION STATEMENT

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Risk Warning: Trading derivatives carries significant risks. It is not suitable for all investors and if you are a professional client, you could lose substantially more than your initial investment. When acquiring our derivative products, you have no entitlement, right or obligation to the underlying financial assets. Past performance is no indication of future performance and tax laws are subject to change. The information on this website is general in nature and does not take into account your personal objectives, financial circumstances, or needs. Accordingly, before acting on the advice, you should consider whether the advice is suitable for you having regard to your objectives, financial situation and needs. We encourage you to seek independent advice if necessary.



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1. IMPORTANT INFORMATION

Vantage Global Prime Pty Ltd (herein after referred to as “we”, “us”, “Vantage Markets” or “Vantage”), ACN 157 768 566, is the issuer of the Products described in this Wholesale Client Information Statement (“Information Statement”).

Capitalised words and phrases used in this document have defined meanings which are contained in the ‘Glossary’ section of this Information Statement in Section 14.

Should you have any queries about this document, please do not hesitate to contact us using the details in the ‘How to contact us’ section of this document.

Your status as a Wholesale Client

This Information Statement has been prepared only for use of persons that are Wholesale Clients or Sophisticated Investors.

If you do not meet the eligibility requirements to be a Wholesale Client or a Sophisticated Investor, you will be considered a Retail Client. You should read our Financial Services Guide, Product Disclosure Statement and Retail Client Terms and Conditions before you consider acquiring any of our Products.

We assume that, as a Wholesale Client or Sophisticated Investor, you have the necessary level of experience and knowledge to transact with us in relation to the Products.

As a Wholesale Client or Sophisticated Investor, you do not necessarily receive the same investor protections and disclosure documents as those provided to a Retail Client. This includes, but is not limited to, the protections under the ASIC Corporations (Product Intervention Order – Contracts for Difference) Instrument 2020/986.

When you open an Account with us, you will be provided with a separate document titled “Wholesale Client Terms and Conditions”. It contains the terms and conditions that govern Vantage’s relationship with you. You can obtain a free copy of the Wholesale Client Terms and Conditions on our website.

We are not required to provide Wholesale Clients or Sophisticated Investors with a Product Disclosure Statement or Financial Services Guide. Also, we do not have any obligation to you under Chapter 7 of the Corporations Act that we would have if the financial products and services we provide were provided to you as a Retail Client. The Australian Financial Complaints Authority also has the discretion to exclude complaints lodged by Wholesale Clients and Sophisticated Investors.

It is your responsibility to tell us if you no longer meet the criteria to be categorised as a Wholesale Client or Sophisticated Investor.

We may, at our absolute discretion and at any time, withdraw your classification as a Wholesale Client or Sophisticated Investor, and treat you as a Retail Client.

Eligibility to be treated as a Wholesale Client or Sophisticated Investor

Vantage can only treat you as a Wholesale Client if you satisfy us that you meet one or more of the following tests:

- a) The “wealth test” under section 761G(7) of the Corporations Act; or
- b) The “sophisticated investors test” under section 761GA of the Corporations Act i.e., you are a Sophisticated Investor.

a) Wealth test

Section 761G(7) of the Corporations Act allows a client to be categorised as a Wholesale Client if the client provides us with a copy of a certificate from a Qualified Accountant that states that the client has or controls:

- (i) net assets of at least A\$2.5 million; or
- (ii) gross income for each of the last 2 financial years of at least A\$250,000 a year.



The certificate is valid for two years from the date of issue.

You cannot use our financial products or services in connection with a business for the purpose of the wealth test.

b) Sophisticated Investor test

Section 761GA of the Act allows us to categorise a client as a Sophisticated Investor if we are satisfied on reasonable grounds that the client has previous experience in using financial services and investing in financial products that allow the client to assess:

- (i) The merits of the product or service; and
- (ii) The value of the product or service; and
- (iii) The risks associated with holding the product; and
- (iv) The client's own information needs; and
- (v) The adequacy of the information given by the licensee and the product issuer.

In addition, we are required to provide the client with a written statement setting out the reasons we consider that the client satisfied the above criteria, which the client must then acknowledge in writing.

In order to be classified as a Sophisticated Investor, you cannot use our products in connection with a business.

Risk Warning

The Products described in this Information Statement involve the potential for profit as well as the risk of loss which may exceed the amount of your investment. You will not have any legal right to the underlying asset. You should not invest in the Products unless you properly understand the nature of the Products and are comfortable with the associated risks. It is therefore important that you carefully consider this Information Statement and the Wholesale Client Terms and Conditions before you decide whether or not to acquire any of the Products. This Information Statement does not include all the risks involved with investing in the Products we offer or how such risks relate to your personal circumstances. You should obtain financial, legal, taxation and other professional advice prior to acquiring any Products to ensure they are appropriate for your objectives, needs and circumstances.

No aspect of these Products has been endorsed or approved by the Australian Securities and Investments Commission (ASIC) or any party or market referred to in this Information Statement.

How to contact us

Our contact details are:

Address: Level 12, 15 Castlereagh Street, Sydney, NSW 2000

Phone: 1300 945 517

Email: pro@vantagemarkets.com.au

General advice warning

Vantage does not provide personal financial product advice. We are only authorised to provide you with general advice that does not take into account your financial situation, objectives or needs. Vantage will not provide you with personal financial product advice under any circumstances.

This Information Statement does not take into consideration your financial circumstances, needs or objectives, and should not be construed as a recommendation by us or any other person, to acquire the Products. It is general information only.

You should read this Information Statement carefully, and then consider your objectives, financial situation and needs and take all reasonable steps to fully understand the possible outcome of trades and strategies that can be



employed using our electronic trading platform. Vantage recommends that you seek independent financial, legal, taxation and other professional advice prior to trading Products with us to ensure it is appropriate for your particular financial circumstances, needs and objectives.

Vantage does not guarantee the investment performance of the Products nor the investment performance of the underlying assets. Past performance is no indication or guarantee of future performance.

Examples in this Information Statement are provided for illustrative purposes only and do not necessarily reflect our actions or determinations or an investor's personal circumstances.

Treatment of Overseas Applicants

Vantage does not accept applications from non-Australian residents.

The products described in the Information Statement are intended for Wholesale Clients and Sophisticated Investors who reside in Australia. Application forms that do not specify an Australian address (or which are accompanied by payment drawn from a foreign bank account) may be rejected and returned.

Products covered in this Information Statement

Vantage is authorised to give you general financial product advice in relation to Derivatives (e.g., CFDs and Margin FX) and foreign exchange contracts. We are also authorised to deal in relation to these same products. We can also help you to open an Account with us.

We are also authorised to “make a market” for Derivatives and foreign exchange contracts. This means that we set our own prices for the Products, including buy (ask) and sell (bid) prices. The prices we set may diverge significantly from the market price for the underlying asset.

Vantage does not guarantee the performance, return of capital from, or any particular rate of return, of a Product. You may lose more than the amount of funds in your Account. Therefore, you should only invest risk capital (that is, capital you can afford to lose). Please note that the historical financial performance of any Product is no guarantee or indicator of future performance.

Electronic Trading Platform

Vantage accepts transaction order instructions for Products primarily via the Vantage electronic trading platform (Electronic Trading Platform) and may also accept order instructions via telephone or email at our sole discretion.

You are required to access the Electronic Trading Platform on a daily basis to confirm that any order instructions have in fact been received by us, reconfirm all orders that you place with us, review order confirmations we provide to ensure their accuracy and monitor your Margin obligations. Any order discrepancies identified must be reported to us immediately.

Vantage will provide all clients, via the Electronic Trading Platform with access to both daily and historical Account statements allowing you to check your open Positions, Margin requirements and cash balances, and trading confirmations. Should you have any queries relating to your statements we encourage you to contact us.

2. THE PRODUCTS

Margin FX and CFDs

A Contract for Difference (“CFD”) is a leveraged Derivative product that allows you to trade on the upward or downward price movements of an underlying asset without buying or selling the underlying asset directly. CFDs provide the opportunity to make profits (or losses) from a wide range of markets including indices and commodities.

Margin foreign exchange (“Margin FX”) contracts are economically equivalent products to CFDs that have currencies as the underlying asset.

By entering into a CFD or Margin FX contract, 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 underlying asset.



The amount of any profit or loss made will be the net of:

- the difference between the price of the Product when the position is opened and the price of the Product when the Position is closed;
- any margin adjustments;
- fees and commission; and
- any swap charges or swap credits relating to the Product.

The balance in your Account will also be affected by other amounts you must pay to us in respect of your Account such as exchange fees and interest on debt balances. A CFD or Margin FX contract is a contract between you and Vantage, which means both parties act as principals to the transaction and have direct credit exposure to each other. You do not trade our Products through an exchange and are therefore not afforded the protections normally associated with exchange-traded Derivatives, such as guarantee arrangements.

Types of Products Issued by Us

We offer the following Products:

- Margin FX contracts;
- Index CFDs;
- Energy CFDs;
- Share CFDs;
- Soft Commodities CFDs;
- Precious metals CFDs;
- Cryptocurrencies CFDs; and
- other Products offered from time to time as set out on the Website or the Electronic Trading Platform.

Details of all the products available to trade with us are set out on our website.

3. RISKS OF TRADING OUR PRODUCTS

This section does not detail ALL risks applicable to the Products but rather seeks to highlight the key significant risks involved in trading in the Products.

The Products are considered speculative which are highly leveraged and carry significantly greater risks than non-gear investments, such as shares. Investing in the Products as a Wholesale Client or Sophisticated Investor involves the risk of losing substantially more than your initial investment. You should not invest in the Products unless you properly understand the nature of the Products and are comfortable with the associated risks. You should obtain independent financial, legal, taxation and other professional advice prior to transacting the Products to ensure that they are appropriate for your objectives, needs and circumstances.

Vantage is under no obligation to:

- a) satisfy itself as to the suitability of any Product or transaction for you;
- b) monitor or advise you on the status of any of your open Positions;
- c) prevent you from trading beyond your means or ability; or
- d) close any open Positions.

Derivatives Risk

The risk of loss in trading the Products can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial situation, objectives and needs. In considering whether to trade the Products you should be aware of the following:

- You could sustain a total loss greater than the amount that you deposit with Vantage to establish or maintain a contract.



- If the market moves against your position, you may be required to immediately deposit additional funds as additional Margin in order to maintain your position i.e., to “top up” your Account. Those additional funds may be substantial. If you fail to provide those additional funds, Vantage may Close Out your Open Positions. You could sustain a total loss of the net amount that you deposit with Vantage to establish or maintain a Position and will also be liable for any shortfall resulting from that closure.
- 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 out existing positions.
- Under certain market conditions, the prices of contracts may not maintain their usual relationship with the underlying market.
- The Products involve risk. However, the placing of contingent orders such as a Stop-Loss Order may potentially limit your losses. A Stop-Loss Order will be executed at or near the price/rate requested by the client but is not guaranteed at the exact level. Accordingly, Stop- Loss Orders may not limit your losses to the exact amounts specified. A contract will be executed as soon as the rate/price is identical to the order given by you. Stop-Loss Orders are offered at the discretion of Vantage and Vantage makes no guarantee that these orders will be available at all times or at all price/rate levels.

Leverage Risk

As a Wholesale Client or Sophisticate Investor, you will have access to higher maximum leverage levels than Retail Clients. The leverage limits we offer a Wholesale Client or Sophisticate Investor is displayed on the Electronic Trade Platform for the Products you can trade with us.

The higher degree of leverage you can obtain as a Wholesale Client or Sophisticated Investors means that you can trade out Products with a smaller Margin requirement. This can work against you as well as for you. The use of higher leverage can lead to larger losses as well as larger gains than if you were trading as a Retail Client.

The impact of leverage is that even a slight fluctuation in the market could mean substantial gains when these fluctuations are in your favour, but that could also mean considerable losses if the fluctuations are to your detriment.

High levels of leverage mean that you can outlay a relatively small initial margin which secures a significantly larger exposure to the underlying asset. You should closely monitor all of your open Positions as leverage increases the risk that even small adverse movements in the value of the underlying assets can lead to losses.

If the market moves against you and your initial margin deposit is diminished, we may make a margin call or automatically close out your position.

Below is an example of how leveraging can work against you in a Margin FX Contract (assuming the Margin FX Contract is not rolled over to a new Value Date). It compares a Long Margin FX Contract for the purchase of US \$100,000 dollars with Japanese yen (JPY) with the actual purchase of US dollars for Japanese yen through a foreign exchange dealer:

Item	Long Margin FX Contract	Physical FX Dealer Trade
Amount of USD (Base Currency)	100,000	100,000
Buy Price in terms of JPY (Term Currency)	84.5 JPY	84.5 JPY
Margin required (assumed to be 1% / Purchase price payable)	84,500 JPY	8,450,000 JPY
Total Outlay	84,500 JPY	8,450,000 JPY
Sell Price	84.47 JPY	84.47 JPY



Gross profit/(loss)	(3,000) JPY	(3,000) JPY
Goods & Service Tax	-	-
Net profit/(loss)	(3,000) JPY	(3,000) JPY
Return on Investment	-3.550%	-0.036%

The above example is for illustrative purposes only. It assumes the Margin FX Contract was opened and closed out on the same day and, therefore, does not show the effect of a mark to market payment or a swap charge. The example does not take into account the effect of spread or the currency conversion calculation fee.

Potential loss caused by spreads

It is possible that you enter into a trade with us, and the underlying asset moves in your intended direction, but you still end up with less than you started after closing your Position. This can happen because of the combined effect of the spread between the buy and sell price and any swap charges which could apply on consecutive days that a Position is held open.

Cryptocurrency trading risk

Vantage offers trading in Cryptocurrency CFDs. This means that when you are trading Cryptocurrency CFDs with us, you are not trading (buying or selling) a specific cryptocurrency. Rather, you are entering into a contract with us regarding movements in the price of the underlying cryptocurrency you select. That is, when you close a Position, you do not take physical delivery of the specific cryptocurrency. Instead, your Account will either be credited or debited according to the profit or loss of the trade.

Trading cryptocurrency CFDs is a way of obtaining exposure to cryptocurrencies without owning or directly investing in the underlying cryptocurrency. When you trade cryptocurrency CFDs with us, you will not be able to use the cryptocurrency CFDs to pay for goods and services as you are not buying or selling specific cryptocurrencies.

Trading CFDs on Cryptocurrencies such as Bitcoin, Bitcoin Cash, Dashcoin, Litecoin, Ethereum and Ripple, carries a high level of risk and may not be suitable for you. Their values can fluctuate significantly over short periods of time. This is because cryptocurrencies are not guaranteed by any bank or government, the value of a cryptocurrency is based on its popularity at a given time which is influenced by factors such as the number of people using it, the ease at which it can be traded or used and the perceived value of the cryptocurrency and its underlying distributed ledger technology. As cryptocurrency CFDs derive their price from cryptocurrencies, this volatility can also affect the prices at which we offer our cryptocurrency CFDs.

Before deciding whether to trade CFDs on Cryptocurrencies, you should carefully consider your trading objectives, level of experience and appetite for risk.

Market Volatility

The Products are subject to many influences which may result in rapid price fluctuations and reflect unforeseen events or changes in conditions with the inevitable consequence being market volatility. Given the potential levels of volatility, we recommended that you closely monitor your Positions at all times. OTC derivatives markets are highly volatile and are very difficult to predict. Due to such volatility, no Product offered by us should be considered a safe or risk-free trade.

You can reduce some of your downside risks by the use of Stop Loss Orders where Vantage will attempt to close your Position if the price reaches a particular level. In addition, you may also use Limit Orders which allow you the opportunity to benefit from favourable upside market movements. Limit Orders are like Stop Loss Orders but lock in profits rather than losses.

However, in a volatile market, there may be a substantial time lag between the placement of an order and the execution of the order. This can mean that the buy or sell price may be significantly higher or lower than the price



at which the buy or sell order (including a Stop Loss Order) was placed. This is known as “gapping”. We do not guarantee that the Stop Loss Orders will be successful in limiting your downside risk which may be greater than you initially anticipated.

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

Foreign Exchange Risk

You may be exposed to foreign exchange risk if the Product you are trading is not denominated in the base currency of your Account.

Your profits and losses may be affected by fluctuations in the relevant foreign exchange rate between the time the order is placed and the time the Position is closed out. For example, what may appear as a profit from the Position may actually constitute a loss in the chosen base currency of your Account due to currency fluctuations. Until the foreign currency balance is converted to the base currency, fluctuations in the relevant foreign exchange rate may affect the Unrealised Profit or Loss made on the Position. Foreign currency markets can change rapidly.

Client Money

Your funds will be kept together with the funds of other clients in our client trust account.

Your funds kept in our client trust accounts can be used to meet the payment obligations of our other clients. This means that you may also potentially suffer a loss as a result of default by another client where money from the client trust account is applied to meet the payment obligations of that client and there is a deficiency in the client trust account.

If you are a Wholesale Client VGP may use the funds in the client trust account for the purpose of meeting obligations in connection with margining, guaranteeing, securing, transferring, adjusting or settling dealings in Products we offer.

If you are a Sophisticated Investor, the funds in the client trust account will not be used for these purposes.

In the event of our insolvency, your entitlements as a creditor will rank equally with all other clients and you may not receive all the money held by us on your behalf if there is a deficit in the client trust account.

Margins

Each open Position will require you to maintain a certain amount of margin with us. For example, you must deposit funds for security/margining purposes.

Please note that if the price of the Product moves against you, you may be required, at short notice, to deposit with us additional cash in order to maintain your Position. Due to the volatile nature of global markets, the time in which you are required to deposit additional cash may vary significantly. Due to the highly volatile nature of global markets, we cannot give you definite timeframes for you to meet your Margin requirements. **In some circumstances, we may need to close out your open Positions immediately if you fail to meet Margin requirements in order to minimise our risk exposure.**

Under the Wholesale Client Terms and Conditions, a failure to meet our Margin requirements is an event of default and we have the right to immediately close out your Position. **You must regularly monitor your own Margin requirements.**



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

- If the Margin required to maintain your Positions open takes up 100% of the funds shown in your Account, you are regarded as being on margin call;
- If the funds available in your Account only cover 80% or less of the Margin requirements for your open Position, you will receive a visual message automatically on the Electronic Trading Platform for you to consider taking appropriate action which can include depositing further funds or reducing exposure; and
- If the funds available in your Account only cover 50% of the Margin requirements for your open Positions, your worst offending Margin FX Contract or CFD (i.e., the contract with the largest margin requirements) will be automatically closed out. However, irrespective of the steps we take, it is your responsibility to ensure that you have paid to us sufficient funds in order to satisfy your Margin requirements. If you fail to have sufficient Margin at any time, your position may be closed out by us, without notice, at a loss to you and you may be charged default interest. We have sole discretion to determine how much Margin is required.

Example – Closing out CFDs as a result of the breach of margin requirements:

This example assumes that the applicable Margin Percentage is 1% of the Contract Value of your open CFDs. The CFD account balance is USD\$1,500.

The trader buys (long) 1 Standard contract of CL-Oil (1000 Barrels) at \$100.00 and the margin requirement is AUD \$1,000. The Margin Percentage currently held is 150% (CFD account balance/margin x 100) i.e., the client has 1.5 times the margin requirement.

If the price of Crude Oil falls to \$99.40, the CFD Account balance becomes USD \$1,000 whilst the margin requirement is now AUD \$994 (Contract Value now \$99,400 due to the fall in the price of crude oil). The trader's CFD account balance is calculated by deducting the loss of USD \$600 from \$1,500. The Margin Percentage is now 90.54 % and is deemed to be in margin call as the CFD account balance covers less than 100% of the margin requirement.

If the price of crude oil continues to fall and reaches \$99.25. The CFD account balance is now \$750, and the Margin Percentage is now 75.56%. As the account

is below 80% the trader will see a visual reminder on the Electronic Trading Platform.

If crude oil falls further and reaches \$98.79. The CFD account balance falls to \$290, and the Margin Percentage is now 29.35%. As the account is below 50% margin coverage, the position will be closed out at the first available opportunity.

If the trader has a number of open CFDs and the Margin Percentage is below 50%, the CFD with the largest margin requirement will be automatically closed first. Other CFDs in order of the largest margin requirement will also be closed until the Margin Percentage is restored above 50%.

The Vantage Margin requirements are subject to change on our ongoing assessment of our risk of loss from a failure to recover losses. If we change our Margin requirements, we will contact you directly via email or by calling you.

Example – Closing out Margin FX Contracts as a result of the breach of Margin requirements:

This example assumes that the applicable Margin Percentage rate is 1% of the Contract Value of your open Margin FX Contracts. See Section 14 on how Margin requirements are determined.

The Margin FX account balance is AUD\$1,500.

The client buys (long) 1 Standard Lot of AUD/USD (100,000) at 0.9040 and the Margin requirement is AUD



\$1,000. The Margin Percentage currently held is 150% (Margin FX account balance/Margin x 100) i.e., the client has 1.5 times the Margin requirement.

AUD/USD falls to 0.8994, the Margin FX Account balance becomes AUD \$988.55 whilst the margin requirement is still AUD \$1,000. The client's Margin FX account balance is calculated by deducting the loss of USD \$460 or AUD \$511.45 from \$1,500. The Margin Percentage is now 98.85% and is deemed to be in Margin Call as the Margin FX account balance covers less than 100% of Margin requirement.

AUD/USD continues to fall and reaches 0.8976. The Margin FX account balance is now \$786.99, and the Margin Percentage is now 78.70%. As the Account is below 80% the client will see a visual reminder on the Electronic Trading Platform.

AUD/USD falls further and reaches 0.8949. The Margin FX account balance falls to \$483.13, and the Margin Percentage is now 48.31%. As the Account is below 50% Margin coverage, the position will be closed out at the first available opportunity.

If the client has a number of open Margin FX Contracts and the Margin Percentage is below 50%, the Margin FX Contract with the largest Margin requirement will be automatically closed first. Other Margin FX Contracts in order of the largest Margin requirement will also be closed until the Margin Percentage is restored above 50%.

The Vantage margin requirements are subject to change on our ongoing assessment of our risk of loss from a failure to recover losses. If we change our margin requirements, we will contact you directly via email or by calling you.

You may not be able to manage risk

It could become difficult or impossible for you to manage the risk of an open Position in a Product by entering into an opposite Position in another Product of the same nature to close out the existing Position. This is because:

- We have the discretion to refuse to accept an order requested by you. For example, we may refuse to accept an order when there is a significant change in prices over a short period or a lack of liquidity due to significant volatility or uncertainty of trading; or
- The relevant underlying asset may no longer be on our list of available tradable products. We may decide to cease offering a Product if, amongst other things:
 - Our liquidity provider is not able to get quotes from the banks and institutions in respect of the underlying asset;
 - Liquidity for the Product is poor and/or that trading in the Product would no longer be prudent as spreads could be wide.

We will inform you via our website and notifications on the Electronic Trading Platform within one month of making a decision to cease trading in a Product or becoming aware that the underlying asset on which the Product is based will not otherwise be available for trading.

Operational risks

Vantage relies on technology to provide the Electronic Trading Platform to you. A disruption to the Electronic Trading Platform, our operational processes such as communications, computers, computer networks, software, or external events may lead to delays in the execution and settlement of order.

Disruption may also mean that you are unable to trade in any of our Products when you want to, and you may suffer a loss as a result. An example of disruption includes the “crash” of the computer systems used to operate our Electronic Trading Platform.

If you experience a disruption to the Electronic Trading Platform, you must call our support team on 1300 945 517 as soon as possible in order to open/close Positions.



We do not accept or bear any liability whatsoever in relation to the operation of the Electronic Trading Platform.

Corporate Actions and Division Events

There is a risk that a Corporate Action or Division Event may affect a Position. If a Corporate Action or Division Event occurs, we will reasonably determine what adjustment, if any, to be made to the Position to preserve the economic equivalent of such Positions immediately prior to the relevant event or to reflect the effect of such event on such Position. Any such adjustments will be effective as of a date reasonably determined by us.

Consequences of your default

If you fail to maintain the required Margin, pay other amounts payable to us or fail to perform any obligation under your Product, we have extensive powers under our Wholesale Client Terms and Conditions with you to take steps to protect our position including, for example, the power to close out your open Positions and to charge default interest. Under the Wholesale Client Terms and Conditions, you also indemnify us for certain losses and liabilities, including, for example, any default by you under the Wholesale Client Terms and Conditions. Further, our liability to you is expressly limited. You should read the Wholesale Client Terms and Conditions carefully and obtain advice to make sure you understand these matters.

Our right to exercise certain discretions

You should note that there are a number of provisions in the Wholesale Client Terms and Conditions that confer discretion on us which could affect your Product.

In addition, we can close out all or part of your position in a Product, limit the total value of the Positions you can open, refuse an order or terminate or suspend the agreement between us if certain circumstances arise including but not limited to where we:

- decide in our absolute discretion provided we give you prior written notice of such decision; or
- reasonably consider it necessary for the protection of our rights under the Wholesale Client Terms and Conditions.

You do not have the power to direct us in the exercise of our discretions. You should read the Wholesale Client Terms and Conditions carefully.

Legal Entity Identifiers

If you are a company or a corporate trustee, Vantage may need to report your Legal Entity Identifier (LEI) under the ASIC Derivative Transaction Rules (Reporting) 2013 in respect of each trade you place with us.

If you are a company and a corporate trustee and you:

- fail to provide us with a current LEI; or
- allow the LEI to expire or lapse,

you may not be able to trade or continue to trade with us.

In such circumstances, we may need to close out your position in any Product, refuse an order or terminate the agreement between us.

Not a regulated exchange

Our Products are over the counter products and are not traded on a regulated exchange. This means that they are not covered by the protections for exchange-traded products arising from domestic or international exchange rules (such as guarantee or compensation funds).



Volume limits

At our sole discretion, we may impose volume limits on your Accounts.

Information we make available

We may make information available to you that is generated by us or obtained from third parties. This includes, but is not limited to, market information such as financial market data, quotes, news, analyst opinions and research reports, graphs, or data ("Market Information").

Market Information:

- is not intended as advice;
- is not endorsed or approved by us and we do not guarantee the accuracy, timeliness, completeness or correct sequencing of the Market Information;
- is made available to you as a service for your own convenience only;
- We and our third-party providers do not guarantee the accuracy, timeliness, completeness, or correct sequencing of Market Information or warrant any results from your use or reliance on it.

Market Information may quickly become unreliable for various reasons including, for example, changes in market conditions or economic circumstances. Neither we, nor our third-party providers are obligated to update any information or opinions contained in any Market Information, and we may discontinue offering this market information at any time without notice.

Electronic Trading platform risk

You are responsible for providing and maintaining the means by which to access our website and the Electronic Trading Platform, which may include without limitation a personal computer, modem and telephone or other access systems.

While the internet is generally reliable, technical problems or other conditions may delay or prevent you from accessing our website or the Electronic Trading Platform. If you are unable to access the internet and therefore, the Electronic Trading Platform, it will mean you may be unable to trade in a Product offered by Vantage when desired and you may suffer a loss as a result. Should the system be unavailable, clients may place their closing orders via telephone with a representative of Vantage. Furthermore, in unforeseen and extreme market situations, such as an event like September 11, or a global catastrophe, Vantage reserves the right to suspend the operation of the Electronic Trading Platform or any part or sections of them. In such an event, Vantage may, at its sole discretion (with or without notice), close out your open Positions at prices it considers fair and reasonable at such a time.

Using third-party plugins

Third-party plug-ins can be risky. They are often called "expert advisers" or "mirror trading plugins". They may enable your Account to mirror trades made by third-party asset managers or signal providers. They may claim to exploit price latency across platforms or markets. They may promise exceptional returns. Our Electronic Trading Platform lets you connect and use third-party trading tools and systems (such as automated trading strategies/expert advisors, copy traders and robot traders) to help you trade. Some charge you fees, and others do not. Some are approved by us, and others are not.

Regardless of our approval, we are not responsible for, and will not indemnify you from, reliance on any statements made by their makers or promoters, or any loss you incur in connection with third party plugins that you use. You should note that:

- we don't have any control over the logic or code that these third-party providers use when developing their tools and systems;



- you can lose control of your trades and suffer financial loss;
- the software may stop working and you are stuck with open Positions and suffer financial loss;
- you can lose more money than your initial Margin;
- they may result in you being margin called and your positions may be liquidated;
- some are offered by fraudulent or illegal/underground entities in remote parts of the world.

You should take steps to ensure that any third-party tools or systems that you use to trade with us have been developed by reputable providers that, where relevant, are appropriately licensed or permitted to provide the relevant services to you.

If promoters of these plugins make promises that are too good to be true, then you should avoid them. You should never provide your Account username or password to a third party – to do so would be a breach of your contract with us. You are wholly responsible for managing the risks (including the risk of loss) associated with using third party plugins.

Regulatory Risk

Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in the Products, as may any regulatory action taken against Vantage.

No Cooling Off

There are no cooling-off arrangements for the Products. This means that when Vantage accepts an order for a Product, you do not have the right to return the Product, nor request a refund of the money paid to acquire the Product.

Superannuation Funds

Complying superannuation funds are subject to numerous guidelines and restrictions in relation to their investment activities which are contained in the Superannuation Industry Supervision Act 1993, and associated regulations and regulatory guidance material.

Without being an exhaustive list, the following are some of the issues that should be considered by a Trustee of a complying superannuation fund:

- Restrictions on borrowing and charging assets and whether dealing in OTC derivative products would breach those borrowing and charging restrictions;
- The purpose of dealing in OTC derivative products in the context of a complying superannuation fund's investment strategy as well as 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 OTC derivative products and the need to have in place adequate risk management procedures to manage the risks associated with dealing in those products; and

The consequences of including adverse taxation consequences if a superannuation fund fails to meet the requirements for it to continue to hold complying status.

4. OPENING AN ACCOUNT

Prior to transacting the Products, you must read and understand this Information Statement and the Wholesale Client Terms and Conditions.

By opening an Account, you agree to be bound by our Wholesale Client Terms and Conditions. This is an important legal document containing the terms and conditions which govern our relationship with you. It is provided to you



separately by Vantage.

We recommend that you consider seeking independent legal advice before entering into the Wholesale Client Terms and Conditions, as the terms and conditions detailed in this agreement are important and affect your dealings with us.

All deposits are accounted for in the Base Currency which the client can choose. When sending funds to Vantage, please send the same currency as the Base Currency of your Account.

If your application is accepted, we may require you to pay us, and maintain at all times, a balance in your Account representing Cleared Funds. Cleared Funds are amounts deposited or credited to your Account which is able to be withdrawn by us for the purposes of acquiring Products and making Margin or other payments.

We will comply with our obligations to report all relevant transactions to AUSTRAC in accordance with anti- money laundering requirements.

5. THE ACCOUNT

What is an Account?

An Account is a record or a series of records, maintained by us (or on our behalf) that shows, at any point in time, the net position of the payments you have made or are required to make to us and the payments we have made or are required to make to you. The Account for your Products is not a deposit account with us, and no money is held in the Account. Money paid by you is initially deposited in our client trust account and dealt with as set out in Section 3.

How do you get funds in and out of your Account?

You can deposit funds to our client trust account by using electronic funds transfers, BPAY or credit card and with Vantages' consent, by cheque. Those funds will be credited to your Account.

Funds deposited with us may take up to three days or more to clear. It is your responsibility to ensure that the amounts transferred to our client trust account are cleared in sufficient time to meet all the payment obligations you have under the Wholesale Client Terms and Conditions. A failure to do so could result in your orders being cancelled and your Positions in a Product being closed out and being charged default interest. If you are not sure how long it will take for your payments to clear, you should contact your financial institution.

You can, subject to our Wholesale Client Terms and Conditions withdraw funds up to the amount, if any, of your 'Free Balance'. Unrealised Profit/Loss is profit or loss that has been made or lost but is not yet realised through a transaction. For example, if you buy 1 lot of GBP/AUD at 1.6500 and it rises to 1.6550 but you have not yet closed the Position, you will have an Unrealised Profit of \$500. Once the trade is closed the Unrealised Profit would be realised and reflected in the cash balance. The Unrealised Profit/Loss is not included in the Margin for the Product.

Margin FX Contract Example – Free Balance

For example, you have cash balances of \$5,000 in your Account of which \$3,000 is needed to meet your Margin requirements for the opened Margin FX Contracts and an Unrealised Profit of \$1,000. In that case, your Free Balance is \$3,000 and you will be able to withdraw up to this amount from your Account.

CFD Example – Free Equity

For example, you have cash balances of \$5,000 in your Account of which \$3,000 is needed to meet your Margin requirements for the opened CFDs and an Unrealised Profit of \$1,000. In that case, your Free Equity is \$3,000 and you will be able to withdraw up to this amount from your Account.



Do you get interest on your Account balance?

You will not receive any interest on balances in your Account.

6. OPERATING AN ACCOUNT

How do you open a Margin FX Contract or CFD position?

Margin FX Contracts and CFD positions can be opened by:

- placing an order on the Electronic Trading Platform; or
- calling us, however, we reserve the right to refuse to accept telephone orders and we are not required to provide reasons for any such refusal.

To open a Position, you will need to provide us with specific information including:

- the Currency Pair for Margin FX Contracts;
- the CFD;
- the quantity of the Base Currency; and
- whether you intend to be the long or short party.

All quotes are indicative, and no Position will be entered into until your order is accepted in accordance with the Wholesale Client Terms and Conditions. Due to transmission delays that may occur between when you send us your order and our trading server accepting your order, the price offered by us may change before we receive your order. If you place an order and the price changes before the order is received, the order will be accepted by us at the new price. This means the price at which your order is accepted may be different from the price you were quoted.

We cannot predict future price movements and our quotations are not a forecast of where we believe prices will be at a future time.

Types of orders

You may place any of the following orders with us:

- **Market Order** – An instruction to buy or sell a Product at the current bid or offer price of the underlying asset quoted by Vantage. Vantage in its absolute discretion can accept or reject the Market Order.
- **Limit Order** – An instruction to either buy or sell a Product at the price threshold you have specified or at a price that is more favourable than the price threshold you have specified for the specified contract. There is a possibility that this kind of order will not be filled.
- **Stop-Loss Order** – An instruction to close out or enter into the Product at the best available price after a pre-determined price threshold is reached. Putting a Stop-Loss Order on your Position will allow you to potentially limit potential losses from adverse market fluctuations by closing your Position at the best available price after the market price passes the price threshold you have set.
- **A DO (Day Only)** means that the order you place will be cancelled at 9.00 am AEST. If you want to maintain that order in the market after that time, you will have to resubmit that order.
- **A GTC (Good 'Til Cancelled) Order** means that the order you place will remain in the market until it is either executed according to the terms of that order or is cancelled by you.

Acceptance of orders

We have absolute discretion on whether to accept an order. In general, we will use reasonable endeavours to accept an order. However, we may not accept an order if, for example, it is not reasonably practicable for us to do so

If we accept your order, then the Position is opened, and we will send a confirmation to you as follows:



- if you have entered an order through the Electronic Trading Platform, the platform will automatically give you a summary of the main elements of your order which can be printed by you so that you can check if the order is correct. This summary is not a confirmation. Once your order has been executed, you can access your 'Trades Booked' statement online. The 'Trades Booked' statement is your confirmation. You will be asked to accept this 'standing facility' method of receiving confirmations in the Wholesale Client Terms and Conditions;
- if you have placed an order by calling us, you can access your 'Trades Booked' statement online which is your confirmation as set out above; and
- if requested, we will send a confirmation to you by ordinary post.

How do you close out a Margin FX Contract or CFD position?

The process is the same to close out a Margin FX Contract and a CFD position. The Position can be closed out by you if you place an order for a Product of the same nature that is an offsetting opposite position to an existing Product and that order is accepted by us. For example, to close out a CFD you would need to place an order for a CFD that is an offsetting opposite position to the CFD. You could not take out a Margin FX Contract to close out a CFD.

The order to close out a Position can be placed on the Electronic Trading Platform or by calling us. Prior to placing an order, we can provide you with a quote for the price of the Base Currency as against the Terms Currency. All quotes are indicative, and no Position will be entered into until your order is accepted in accordance with the Wholesale Client Terms and Conditions. Due to transmission delays between us, the price offered by us may change before we receive your order. If you place an order and our price changes before the order is received, the order will be accepted by us at the new price. This means the price at which your order is accepted may be different from the price you were quoted.

If we accept your order to close out the Position, the existing Position is closed out and:

- we determine any debits or credits required for your Account; and
- a confirmation is sent to you as set out above.

There are some circumstances set out in the Terms and Conditions in which we may close out a Position in our sole discretion. For example, we may do this where you fail to maintain your required Margin.

What happens on the Value date of a Product?

Where a Position is held at the close of business on the day before its Value Date, it will be rolled over to a new Value Date on the terms set out in the Wholesale Client Terms and Conditions. A Position will be continuously rolled over until it is closed out.

Vantage Trader platforms

We will provide you with access to the Electronic Trading Platform which will enable you to trade our Products over the internet. The Electronic Trading Platform enables you to:

- trade Products during Trading Hours; and
- access information on a wide range of global markets generally 24 hours a day.

7. MARGIN REQUIREMENTS

Margin FX Contracts and CFDs are subject to Margin obligations i.e., you must deposit funds for security/Margining purposes. You must pay all Margin payments required by us in respect of your Account.



Example – Margin Requirements

The applicable margin percentage rate is generally between 1% to 20% of the Contract Value of your open Position. If the Contract Value of the Margin FX Contract or CFD to buy 100,000 AUD is USD 89,000 and the applicable margin percentage rate is 2%, the amount of initial margin is USD 1,780, being 2% of USD 89,000, (or \$2,000 which is USD 1,780 divided by 0.8900 to convert to AUD).

The Contract Value of both Products is calculated as follows:

the rate at which a single unit of the Base Currency may be bought with or, as the case may be, sold in, units of the Terms Currency multiplied by the amount of the Base Currency to be traded

The margin you are required to maintain with us is the 'Initial Margin' plus, if required, the 'Variation Margin'.

Initial margin

Initial margin is the amount of the margin required to open a Margin FX Contract or CFD position. This amount represents collateral for your exposure under the Contract and covers the risk to us. Depending on the Contract traded and the market volatility, the Initial Margin will typically be between 1% and 10% of the Contract Value. However, it is not uncommon for Initial Margins to be above this range. We may change the percentage requirement at any time and at our discretion. You should refer to the Initial Margin schedule on the Vantage Trading Platform to confirm the actual percentage Margin Requirement for your proposed transaction at any particular time.

The margin paid by you is initially deposited in our trust account but is then dealt with as set out in Section 7.

Variation margin

For as long as a position is open, you are required to keep sufficient equity on your Account to meet the Margin Requirement. As the face value of your Margin will constantly change due to changing market conditions, the amount required to maintain the open positions will also constantly change. This is also commonly referred to as the Variation Margin. We will dynamically recalculate the amount of Margin required (being the Initial Margin and any adverse Variation Margin) at any one time and display this amount on the Vantage Trading Platform. You will be required to cover any adverse price movements in the market by making further payments to us.

Variation margin will be required if either:

- the price of the Base Currency moves against you during the term of the Margin FX Contract or CFD position; or
- we increase the applicable margin percentage.

Margin on hedged transactions

Additional margin may apply when you engage in trades for Hedging, whether partially or in full. Hedging is a strategy used to manage exposure to the risk of market fluctuations by taking an opposite position in the same Product to eliminate or reduce that risk. As stated above, an Initial Margin is required to open a Margin FX Contract or CFD position. An Initial Margin is also required for each Hedging transaction. For example, you will need to have sufficient Initial Margin to open a CFD position, and sufficient Initial Margin to open an opposite CFD position for hedging purposes. You must have sufficient Margin to satisfy the Initial Margin for each transaction.

If you engage in partial Hedging, by opening a transaction that is opposite but not equal to another transaction (in the same Product) then you will still need to have sufficient Initial Margin available for both transactions, however less Initial Margin will be required. Initial Margin is charged at the same rate, but where the hedged transaction is smaller, it will result in less Initial Margin being required.

It is within the sole discretion of Vantage as to whether we require an Initial Margin to be paid on hedging



transactions. If we choose to reduce the amount of, or not require payment of the Initial Margin on hedged transactions, we are not waiving our rights to require the full Initial Margin at any time.

You are responsible for satisfying the Margin requirements

If the required amount of Margin for all your Margin FX Contracts and CFD orders exceeds the balance of your Account, you must either deposit additional cash with us or alternatively close out Margin FX Contracts or CFD positions to reduce your required Margin to a level acceptable to us. Due to the highly volatile nature of foreign exchange markets, we cannot give you definite timeframes for you to meet your Margin requirements. In some circumstances, we may need to close out your open Margin FX Contracts or CFD positions immediately if you fail to meet our Margin requirements in order to minimise our risk exposure. Under the Terms and Conditions, a failure to meet our Margin requirements is an event of default and we have the right to immediately close out your Margin FX Contracts or CFD positions. **You must regularly monitor your own margin requirements.**

In order to manage the risk that you would not have sufficient funds in your account to maintain your open Margin FX or CFD positions, we may take the following measures:

- if the margin required to keep your Margin FX or CFD positions open takes up 100% of the funds shown in your Account, you are regarded as being in Margin Call;
- if the funds available in your Account only covers 80% or less of the margin requirements for your open Margin FX or CFD positions, you will receive a visual warning automatically on the Vantage Trader platform for you to consider taking appropriate action which can include depositing further funds or reducing exposure; and
- if the funds available in your Account only covers 50% of the margin requirements for your open Margin FX or CFD positions, your worst-performing Margin FX or CFD position (i.e., the CFD with the largest margin requirement) will be automatically closed out.

You are responsible for ensuring that you have sufficient Margin. The Products can be highly volatile, and you should ensure that you are always contactable by us.

Your obligation to maintain a sufficient margin arises irrespective of whether we make a margin call. In other words, all trades are your responsibility so you should always be aware of your margin requirements and act accordingly.

IMPORTANT: We are not required to make Margin Calls. If you do not meet the required Margin requirements, then we may, in our absolute discretion:

- **cancel any orders; and**
- **close out, without notice, all or some of your open Margin FX Contracts or CFDs. Any losses resulting from us closing a Margin FX Contracts or CFD will be debited to your Account and may require you to deposit additional cash with us. Default interest may apply to the amount of any cash shortfall.**

Please see the example in Section 7 for further details on closing out Margin FX Contracts or CFDs as a result of the breach of Margin requirements.

We may change your Margin requirements at any time by giving you prior notice by contacting you directly via email or by calling you.

8. FEES AND OTHER COSTS

Mark to market payments that represent the Unrealised Profit on an open Margin FX Contract or CFD position



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

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

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

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

Spreads

Spread means the difference between the Bid price (price offered) and the Ask price (price requested) for the Base Currency expressed as against the Term Currency. The spread is incorporated into the price of the Currency Pair or CFD quoted to you and is not an additional fee or charge payable by you.

We may charge spreads on your trades. We will charge this fee in the quote currency of the product that you're trading, which you can then convert into the Base Currency of your Account to determine your cost of trading.

Typically, the spreads range from between 0.01 Points to 600 Points. In non-volatile market conditions, the spread may be even narrower than the spreads quoted. But in periods of volatile markets, the spread may be increased. Vantage will quote 5 decimal places for most Currency Pairs, but the 4th decimal place is classed as the Point and 2 decimal places for most CFDs.

Commission

We may charge commissions on your Account, which will be reflected when you open a Margin FX Contract or CFD Position. Our commission charges will vary based on the currency of your Account and will increase/decrease in proportion to the size of the Margin FX Contract or CFD position you're trading. Commission charges apply to PRO Accounts.

Transaction Fee

We may charge a transaction fee on your Account when you trade in Share CFDs. Typically:

- Trading US shares CFDs attracts a fee of 6 USD per transaction converted to the currency of your Account.
- Trading Hong Kong shares CFDs attracts a fee of 50 HKD or 0.25% of the transaction value (No. of contracts * Contract Size * share price * 0.25%) whichever is greater converted to the currency of your Account.
- Trading Australian Shares CFDs attracts a fee of 0.08% of the transaction value (No. of contracts * Contract Size * share price * 0.08%). The minimum charge is 8 AUD per transaction converted to the currency of your Account.
- Trading the United Kingdom Shares CFDs attracts a fee of 0.1% of the transaction value (No. of contracts * Contract Size * share price * 0.1%). The minimum charge is 10 GBP per transaction converted to the currency of your Account.
- Trading European Shares CFDs attracts a fee of 0.1% of the transaction value (No. of contracts * Contract Size * share price * 0.1%). The minimum charge is 10 EUR per transaction converted to the currency of your Account.



Swap Credit and Swap Charges for Margin FX Contracts

Where a Margin FX position is held at the close of business on a Trading Day, a Swap Credit or Swap Charge will be applied to your Unrealised Profit/Loss. Contracts are automatically rolled over to the next Trading Day at the same time that the swap charge/credit is calculated.

Each Margin FX Contract has an interest rate component attached to it. The Swap Credit or Swap Charge accounts for the difference in the interest rates between the Base Currency and the Terms Currency when a Margin FX position is held overnight (i.e., rolled over to the next business day).

A credit will be made to your Unrealised Profit/Loss (i.e., your Unrealised Profit will increase, or your Unrealised Loss will decrease) if at the close of business on the relevant Trading Day:

- you have a Long Margin FX Contract and the interest rate that applies to the currency you buy is higher than the interest rate that applies to the currency you sell; or
- you have a Short Margin FX Contract and the interest rate that applies to the currency you sell is lower than the interest rate that applies to the currency you buy.

Example of Swap Credit

A Contract for 1 lot of AUDCAD (long) with an AUD based Account has a swap of 0.31 (points).

1 lot = 100,000 units of base currency, Swap rate = 0.34, Number of nights = 1, transaction fee = 10% of the swap rate

Swap Credit = $[0.34 - (0.1 \times 0.34)] \times 1 = 0.31$ Trading Platform Points.

A charge will be applied to your Unrealised Profit/Loss (i.e., your Unrealised Profit will increase, or your Unrealised Loss will decrease) if at the close of business on the relevant Trading Day:

- you have a Long Margin FX Contract and the interest rate that applies to the currency you buy is lower than the interest rate that applies to the currency you sell; or
- you have a Short Margin FX Contract and the interest rate that applies to the currency you sell is higher than the interest rate that applies to the currency you buy.

Example of Swap Charge

A Contract for 1 lot of AUDCAD (short) with an AUD based Account has a swap of -1.38 (points).

1 lot = 100,000 units of base currency, Swap rate = -1.38, Number of nights = 1, transaction fee = 10% of the swap rate

Swap Charge = $[-1.38 + 0.1 \times (-1.38)] \times 1 = -1.52$ Trading Platform Points.

In circumstances where the two interest rates are near parity (almost equal to each other), a Swap Charge may be imposed for both long and short open Contracts. A double negative Swap Rate implies that there is no interest advantage gained by borrowing in one currency to then invest in the other.

When you close out your Margin FX Contract, the net amount of the Swap Charges and Swap Credits (which form a part of your Unrealised Profit/Loss) will be credited or debited from your Account. No Swap Charge is payable to us, and no Swap Credit is paid by us if you open and close out a Margin FX Contract on the same day. We receive a transaction fee for providing the Swap Charges or Swap Credits to you. Our transaction fee can be up to 10% of the value of the Swap Charge or Swap Credit received from our Liquidity Providers.

We may, on our website, designate some Margin FX Contracts as swap-free for the first seven (7) days that the Position remains open. That is, for the first seven (7) days that a swap-free Margin FX Position remains open, a swap credit or swap charge will not be applied to your Unrealised Profit/Loss where the Position is held at the close of business on a Trading Day. Despite swap credits and swap charges not being applied for the first seven (7) days that the Position



remains open, swap credits and charges may begin to apply to a swap-free Margin FX Position if the Position remains open for more than seven (7) days. That is, where a swap-free Margin FX Contract remains open for more than seven (7) days, swap credits and swap charges may be applied to the Position from day eight (8) onwards and the Contract will be automatically rolled over to the next Trading Day at the same time that the swap charge/credit is calculated.

Swap Credit and Swap Charges for Spot CFDs

Where a Spot CFD position is held at the close of business on a Trading Day, a Swap Credit or a Swap Charge will be made to your Unrealised Profit/Loss. Contracts are automatically rolled over to the next Trading Day at the same time that the swap charge/credit is calculated.

Each CFD has an interest rate component attached to it. The Swap Credit or Swap Charge accounts for holding positions overnight and is determined by subtracting the Financing Spread/Transaction Fee from Reference Interest Rate/Benchmark which is provided by our Liquidity Provider.

When you close out your CFD position, the net amount of the Swap Charge and Swap Credit (which form a part of your Unrealised Profit/Loss) will be credited or debited from your account. No Swap Charge is payable to us, and no Swap Credit is paid by us if you open and close out a CFD position in the same day.

We receive a transaction fee for providing the Swap Charges or Swap Credits to you. Our transaction fee can be up to 3.5% annual interest rate charge in addition to the annual interest rate of the Swap Charge or Swap Credit received from our Liquidity Providers.

Example of Swap Credit:

A Contract for 1 lot of SPI200 (long) SPI200 with an AUD based Account, Number of nights = 1, transaction fee = 3.5%, Benchmark annual interest rate of 1.955 (The benchmark annual interest rate is provided by our Liquidity Providers), Settlement price = \$6,276.65 and a dividend of 3.857 in based currency.

Swap Credit = $(-3.5 - 1.955) \% / 365 \times 6276.65 + 3.857 = 2.92 \text{ AUD}$

Example of Swap Charge:

A Contract for 1 lot of SPI200 (short) SPI200 with an AUD based Account, Number of nights = 1, transaction fee = 3.5%, Benchmark annual interest rate of 1.955 (The benchmark annual interest rate is provided by our Liquidity Providers), Settlement price = \$6,276.65 and a dividend of 3.857.

Swap Charge = $(-3.5 + 1.955) \% / 365 \times 6276.65 - 3.857 = 4.12 \text{ AUD}$.

The swap rate that is applied will be tripled for positions held over the weekend.

We may, on our website, designate some Spot CFDs as swap-free for the first seven (7) days that the Position remains open. That is, for the first seven (7) days that a swap-free Spot CFD Position remains open, a swap credit or swap charge will not be applied to your Unrealised Profit/Loss where the Position is held at the close of business on a Trading Day. Despite swap credits and swap charges not being applied for the first seven (7) days that the Position remains open, swap credits and charges may begin to apply to a swap-free Spot CFD Position if the Position remains open for more than seven (7) days. That is, where a swap-free Spot CFD Position remains open for more than seven (7) days, swap credits and swap charges may be applied to the Position from day eight (8) onwards and the Contract will be automatically rolled over to the next Trading Day at the same time that the swap charge/credit is calculated.

Rollover Charges and Rollover Benefits for Futures CFDs

No Swap Charges or Swap Benefits are paid in relation to Futures CFDs.

Where a Futures CFD is held at the close of the existing contract, a Rollover Credit or Rollover Charge will be made to your Unrealised Profit/Loss. Contracts are automatically rolled over to the new contract at the same time that the Rollover Credit or Charge is calculated.

A cash adjustment takes place to reflect the difference between the old contract price at expiry and the new contract



price (less an administration fee of 2.5 basis points) See below for an example.

Example:

Product: USD Futures Index (USDX)

Contract Size: 100

- *Settled or expired contract price at expiry: $(Bid + Ask)/2$ to get mid-rate = $[(94.91+94.945)/2] = 94.9275$*
- *New contract price: $(Bid + Ask)/2$ to get mid-rate = $[(94.59+94.62)/2] = 94.605$
less admin fee of 0.025*
- *Long position = $[(settled\ price - new\ price) - admin\ fee] * contract\ size = 29.75.$*
- *Short position = $[(new\ price\ size - settled\ price) - admin\ fee] * contract\ size = - 34.75.$*

Margin

You are required to maintain the margin as set out in Section 7. The margin is not a fee but rather a security deposit that you are required to keep with us.

Variation of fees and costs

Under the Wholesale Client Terms and Conditions, we may charge you an additional fee and/or spread or increase the current fees and/or spread set out in this Information Statement provided we have given you 30 days' prior notice.

9. TAXATION

Taxation Advice

VANTAGE FX DOES NOT PROVIDE ANY TAXATION ADVICE.

If you trade in CFDs, you may be subject to Australian taxation. This section outlines general information about significant Australian income tax and GST implications of trading derivatives.

The information contained in this section is of a general nature only and is not intended to constitute legal or taxation advice and should not be relied upon as such. The taxation implications of your transactions will depend on your own individual circumstances and Vantage recommends that you obtain independent professional taxation advice on the full range of taxation implications applicable to your own personal facts and circumstances.

Taxation laws are complex in nature and their interpretation and administration may change over the term of your transacting. We will not advise you of any changes in taxation laws should they occur. You must take full responsibility for the taxation implications arising from your own transacting, and any changes in those taxation implications during the course of your transacting.

The following is a general summary of the main Australian income tax consequences of opening a Position. This summary only considers the

position of an Australian tax resident individual who does not carry on business and opens a Position with the intention of making a profit. It does not take into account the position of other persons who open a Position.

Profit or Loss

The availability of tax deductions or losses incurred as a result of transacting in Derivatives to offset current and future year income will depend on your personal circumstances and you will need to seek advice from your tax advisor in this regard.



Generally, any profit derived, or loss incurred in respect of a Margin FX Contract or CFD should be included in your assessable income or allowed as a deduction, as the case may be, at the time you close out your Margin FX Contract or CFD position. In calculating the amount of any profit or loss, you should take into account any Profit or Loss (as defined in the Terms and Conditions), any spreads, any interest on open Margin FX Contract or CFD and any currency conversion calculation fees debited or credited to your Account.

Certain expenses incurred by you in connection with trading the Products may be deductible to the extent that they are incurred for the purpose of deriving your assessable income. The deductibility of these expenses will depend on your own personal circumstances. You should obtain your own advice as to whether such expenses will be deductible to you.

Taxation of Financial Arrangements

There are rules which set out the method by which gains and losses from financial arrangements should be brought to account for tax purposes (referred to as the Taxation of Financial Arrangements (TOFA) rules).

TOFA rules apply to financial arrangements held by certain investors whose assets or aggregated turnover exceeds specified thresholds. The TOFA rules also apply to investors who have made an election to apply TOFA rules to their financial arrangements. You should obtain your own advice as to whether the TOFA rules apply to you in relation to the taxation treatment of CFD transactions.

Capital Gains Tax

Positions may constitute a Capital Gains Tax (CGT) asset held by you for the purposes of applying the CGT provisions to any capital gain or capital loss realised by you.

Goods and services (GST) Tax

No GST should be payable in relation to your trading of the Products with Vantage. This is on the basis that they are considered to be 'financial supplies' under the A New Tax System (Goods and Services Tax) Act 1999. Consequently, they are input taxed and no GST is payable on their supply. However, independent advice should be sought from your accountant or financial adviser confirming this, before acting in reliance thereon. Clients should seek their own GST advice on the implication of entering into the Products.

Withholding tax

Under US taxation laws, Vantage is required to withhold 15% of any dividend income relating to US stocks or securities.

What this means is that when a Client is a Long Party to a Share CFD in relation to a US stock or security, any cash adjustment VGP makes to reflect the impact of the declared dividend is taxed at 15% and VGP is required to withhold this amount. The withheld amount is then remitted to VGP's liquidity provider in relation to the Share CFD. The liquidity provider will then account for the withheld amount to the relevant US authorities.

Clients can view amounts withheld for US tax legislation purposes from their accounts.

10. DISCLOSURE OF INTERESTS

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

In particular, Vantage is a market maker, not a broker, and accordingly will always act as principal for its own benefit in respect of all Margin FX and CFD transactions with you. Vantage may conduct transactions to hedge its liability to you in respect of your Positions by undertaking transactions in the underlying products. Such trading activities may



impact (positively or negatively) the prices at which you may trade the Products.

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 service provider in question. Please note that such benefits will not impact fees or the rates you will be offered for financial products or services undertaken with Vantage.

11. PRIVACY POLICY

Your privacy is important to us. The information you provide Vantage and any other information provided by you in connection with your Account will primarily be used for the processing of your Account application and for complying with certain laws and regulations. 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. Full details of our privacy policy are available from our website or by contacting our customer support.

12. DISPUTE RESOLUTION

We want to know about any problems or concerns you may have with our services so we can take steps to resolve the issue. We have internal and external dispute resolution procedures to resolve complaints from clients. A copy of these procedures may be obtained by contacting us and requesting a copy.

Initially, all complaints will be handled and investigated internally to resolve any complaints or concerns you may have, as quickly and fairly as possible in the circumstances. Any complaints or concerns should be directed to us (by telephone, email, or letter) at the address and telephone numbers provided in section 1 of this Information Statement.

We will seek to resolve your complaint as soon as reasonably practicable given the nature of the complaint.

If we are unable to resolve your complaint, the Australian Financial Complaints Authority has the discretion to exclude complaints lodged by Wholesale Clients and Sophisticated Investors.

13. ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING

By applying for an Account, you are taken to agree to the following terms:

- you are not aware and have no reason to suspect that:
- the money used to fund your Account or has been or will be derived from or related to any money laundering, terrorist financing or other activities deemed illegal under the applicable laws or otherwise prohibited under any international convention or agreement ('illegal activities'); or
- the proceeds of your Account will be used to finance illegal activities; and
- you agree to promptly provide us with all information that we reasonably request in order to comply with our obligations under all applicable laws.

Vantage does not accept payments from or make payments to any third parties.

Client money received must be from an account held under the same name as the trading account name with Vantage.

We will not send funds to an account held in a different name than the trading account name with Vantage.

In no circumstances does Vantage accept cash deposits.



In accordance with applicable laws, Vantage reports, where necessary, any suspicious matters to AUSTRAC.

14. GLOSSARY

Throughout this Wholesale Client Information Statement.

Term	Description
'Account'	Account of the client dealing in the products issued by Vantage, which is established in accordance with the terms and conditions of the Terms and Conditions
'AEST'/'AEDT'	Australian Eastern Standard Time/Australian Eastern Daylight Time
'Base Currency'	The first currency in a Currency Pair. The Base Currency is assigned a value of 1 when calculating exchange rates. The Contract Value of your Margin FX Contract or CFD is dependent upon the movement of the Base Currency against the Terms Currency.
'Cleared Funds'	Amounts deposited or credited to your Account which are able to be withdrawn by us for the purposes of acquiring Margin FX Contracts or CFDs, making margin or other payments
'CFD'	Contract For Difference.
'Contract Value'	Calculated as the rate at which a single unit of the Base Currency may be bought with or, as the case may be sold, in units of the Terms Currency multiplied by the amount of the Base Currency to be traded. For example, if you buy 1 Standard Lot of AUD/USD at a price of 0.8950, the Contract Value will be AUD \$100,000.
'Corporate Action'	means any dividend, bonus issue, restructure, reclassification, cancellation, distribution, rights issue, or stock split in respect of an underlying asset and any other event in respect of an underlying asset analogous or otherwise having a dilutive or concentrative effect on the market value of the underlying asset, whether temporary or otherwise.
'Corporations Act'	means the <i>Corporations Act 2001(Cth)</i> .
'Currency Pair'	Base Currency and a Terms Currency
'Derivative'	An instrument that derives its value from the value of an underlying instrument (such as shares, commodities, currencies etc.)
'Free Equity'	The cash balance in your Account plus or minus any Unrealised Profit/Loss less any Margin requirements. You can, subject to our terms and conditions, withdraw funds up to the amount, if any, of your 'Free Equity'.
'Futures CFD'	Means a CFD where the value of the contract derives its value from an underlying asset or instrument whose price is quoted on a futures market.
'Hedging'	A strategy employed to manage exposure to the risk of foreign exchange rate fluctuations by taking a position using Margin FX Contracts or CFDs to eliminate or reduce that risk.
'Long CFD or 'Long CFD contract'	Means purchasing a CFD in anticipation that the CFD will rise in value
'Long Margin FX contract'	Means purchasing a Margin FX Contract to buy the Base Currency in anticipation that the Base Currency will rise against the Term Currency.
Long Party	Means the party to the Margin FX Contract or CFD that has notionally bought the underlying asset or assets to the OTC derivative contract.
'Margin'	A specified amount of cash deposit with us in respect of each open CFD position (see section 7).
'Margin FX Contract'	Margin Foreign Exchange Contract.
'Margin Percentage'	Means the Margin FX Contract or CFD account balance/margin requirement x 100.
'Mark to Market Payments'	Payments that are credited to or deducted from your Account each business day represent the Unrealised Profit/ Loss on your opened Position as the close of business on that date.
'Opening CFD position'	Means to either buy or sell a CFD.



‘Opening a Margin FX Contract’	Means to either buy or sell a Margin FX Contract.
‘Points’	A point means the smallest increment in CFD trading or "percentage in point". Our CFDs are quoted to the second decimal place, a point is 0.01.
‘Position’	A position is a Margin FX Contract or CFD entered into by you under the Terms and Conditions.
‘Retail Client’	has the same meaning as in section 761G of the Corporations Act
‘Rollover Charge’ or ‘Rollover Credit’	While holding a position overnight, your account is debited or credited using the applicable overnight Tom-Next rate (see Section 8 for more details).
‘Short CFD’ or ‘Short CFD contracts’	Means selling a CFD in anticipation that the CFD will fall in value.
‘Short FX contract’ or ‘Short Margin FX contract’	Means purchasing a Margin FX Contract to sell the Base Currency in anticipation that the Base Currency will fall against the Term Currency.
‘Spot CFD’	means a CFD where the value of the contract derives its value from an underlying asset or instrument whose price is quoted on a spot market.
‘Standard Lot’	100,000 units in the Base Currency.
‘Suspicious Trading Activity’	<p>means any belief or decision of Vantage, reasonably formed or made and whether or not communicated to the client, that the client has, either acting alone or with other persons, used the Electronic Trading Platform in a way that affects the integrity or effective functioning of the platform, Vantage’s market for CFDs and Margin FX, or the market for the underlying asset to which their CFD or Margin FX Contract relates whether or not such conduct is also illegal or also constitutes market abuse. Such conduct includes but is not limited to:</p> <ul style="list-style-type: none"> (a) entering into orders or combination of orders such as holding long and short positions in the same or similar underlying assets at similar times, irrespective of how the accounts have been funded (for example, but not limited to, personal deposits); or (b) entering into orders or combinations of orders in respect of underlying assets the client has entered into a transaction in an underlying market for the underlying asset.
‘Sophisticated Investor’	Means a person who would be a Wholesale Client only through the application of section 761GA of the Corporations Act.
‘Term Currency’	Is the second currency in a currency pair. Your Margin FX Contract will be settled in the term currency. The Contract Value of your Margin FX Contract is dependent upon the movement of the Base Currency against the Term Currency.