PDS IBR Sections

2.1 – Examples of Going Long in Margin FX

Example of Going Long and making a profit on Margin FX Contracts

You opened an account with CMG Australia and your account has an opening balance of AUD20,000 and you believe that the price of the Australian Dollar (AUD) is going to appreciate against the US Dollar (USD) which is currently at 0.9280. You decide to buy AUD 100,000 against USD at the current price.

DAY ONE

Opening a Position

The price of AUDUSD spot is 0.92780 (bid price)/0.92800 (offer price)

You buy AUD100,000 at the exchange rate of 0.92800

You pay no commission for this trade. CMG Australia charges no commission for trading Margin FX

Your Margin Requirement for this trade is 1% of the amount tradedTherefore, your Margin Requirement to open this Position is AUD 1,000

Your Free Equity is Total Equity less your Margin Requirement

You decide to hold the Position overnight. The closing price of AUDUSD for the day was 0.92800, the same as your purchase price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the interbank market, which fluctuates daily and represents the difference between the interest differential of the two currency pairs involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

A sell trade at 0.92800 and simultaneously a buy trade at 0.927905 will be generated to reflect the Rollover Charge. As the AUD is the higher yielding currency and you are long AUD, so your account is credited with USD 9.50

Your open Position will remain at the historical purchase price of 0.9280. This way you can keep track of your original purchase price at all times

Let say, at 11:30 a.m., the AUD has moved up to 0.93300 after the RBA has indicated that further interest rate hike is necessary to curb inflation. Your Position is marked to market which will change your account balance.

Your Margin Requirement remains at AUD 1,000

Your Free Equity is Total Equity less your Margin Requirement

At 4 p.m. you decided to close your Position as AUD has appreciated to 0.9350

Closing the Position

You sell AUDUSD100,000 at bid price of 0.93500 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for Margin FX trading

Realised Profit

Initial Margin Requirement will be zero because you have closed your Position

Free Equity is your Total Equity less Margin Requirement

In this example, you were correct in predicting the AUD will appreciate against the USD. After daily rollover charge for one day you would have made AUD 758.90 profit. However, if your prediction was wrong and the price had moved in the opposite direction by an equal amount, your loss would have been AUD 749.80. Please see the example below for how this loss is calculated.

Example of Going Long and making a loss on Margin FX Contracts

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of the Australian Dollar (AUD) is going to appreciate against the US Dollar (USD) which is currently at 0.92800. You decide to buy AUD 100,000 against USD at the current price.

DAY ONE

Opening a Position

The price of AUDUSD spot is 0.92780 (bid price)/0.92800 (offer price)

You buy AUD 100,000 at the exchange rate of 0.92800

You pay no commission for this trade. CMG Australia charges no commission for trading Margin FX Contracts.

Your Margin Requirement for this trade is 1% of the amount traded. Therefore, your Margin Requirement to open this Position is AUD 1,000

Your Free Equity is Total Equity less your Margin Requirement

You decide to hold the Position overnight. The closing price of AUDUSD for the day was 0.92800, the same as your sell price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the interbank market, which fluctuates daily and represents the difference between the interest differential of the two currency pairs involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

A sell trade at 0.92800 and simultaneously a buy trade at 0.927905 will be generated to reflect the Rollover Charge. As the AUD is the higher yielding currency and you are Long AUD, so your account is credited with USD 9.50

Your open Position will remain at the historical purchase price of 0.9278. This way you can always keep track of your original sell price

Let say, at 11:30 a.m., the AUD has dropped to 0.9230 after the RBA has indicated that further interest rate hike is not necessary as inflation was under control. Your Position is marked to market which will change your account balance

Your initial Margin Requirement remains at AUD 1,000

Your Free Equity is Total Equity less your initial Margin Requirement

At 4 p.m. you decided to close your Position as your prediction was wrong AUD has depreciated against the USD to 0.92100/12

Closing the Position

You sell AUDUSD100,000 at bid price of 0.92100 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for Margin FX Contract trading

Realised Loss

Initial Margin Requirement will be zero because you have closed your Position

Free Equity is your Total Equity less Margin Requirement

In this example, you were wrong in predicting the AUD will appreciate against the USD. After commission and daily Rollover Charge for one day you would have made AUD 749.80 (-AUD 760.04 + 10.24) loss.

2.2 – Examples of Going Short in Margin FX

Example of Going Short and making a profit on Margin FX Contracts

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of the Australian Dollar (AUD) is going to depreciate against the US Dollar (USD) which is currently at 0.92780. You decide to sell AUD 100,000 against USD at the current price.

DAY ONE

Opening a Position

The price of AUDUSD spot is 0.92780 (bid price)/0.92800 (offer price)

You sell AUD 100,000 at the exchange rate of 0.92780

You pay no commission for this trade. CMG Australia charges no commission for trading Margin FX Contracts

Your Margin Requirement for this trade is 1% of the amount traded. Therefore, your Margin Requirement to open this Position is AUD 1,000

Your Free Equity is Total Equity less your Margin Requirement

You decide to hold the Position overnight. The closing price of AUDUSD for the day was 0.9278, the same as your sell price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the interbank market, which fluctuates daily and represents the difference between the interest differential of the two currency pairs involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

A buy trade at 0.92780 and simultaneously a sell trade at 0.92765 will be generated to reflect the Rollover Charge. As the AUD is the higher yielding currency and you are short AUD, so your account is debited with USD 15.00

Your open Position will remain at the historical purchase price of 0.92780. This way you can keep track of your original purchase price at all times

Let say, at 11:30 a.m., the AUD has depreciated to 0.92300 after the RBA has indicated that further interest rate hike is not necessary as inflation was under control. Your Position is marked to market which will change your account balance

Your Margin Requirement remains at AUD 1,000

Your Free Equity is Total Equity less your Margin Requirement

At 4 p.m. you decided to close your Position as AUD has depreciated further to 0.9210/12

Closing the Position

You buy AUDUSD 100,000 at offer price of 0.92120 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for trading Margin FX Contracts

Realised Profit

Initial Margin Requirement will be zero because you have closed your Position

Free Equity is your Total Equity less Margin Requirement

In this example you were correct in predicting the AUD will depreciate against the USD. After commission and daily Rollover Charge for one day you would have made AUD 700.29 profit. However, if

your prediction was wrong and the price had moved in the opposite direction by an equal amount, your loss would have been AUD 770.05. Please see the example below for how this loss is calculated.

Example of Going Short and making a loss on Margin FX Contracts

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of the Australian Dollar (AUD) is going to depreciate against the US Dollar (USD) which is currently at 0.92780. You decide to sell AUD 100,000 against USD at the current price.

DAY ONE

Opening a Position

The price of AUDUSD spot is 0.92780 (bid price)/0.92800 (offer price)

You sell AUD100,000 at the exchange rate of 0.92780

You pay no commission for this trade. CMG Australia charges no commission for trading Margin FX Contracts.

Your Margin Requirement for this trade is 1% of the amount traded. Therefore, your Margin Requirement to open this Position is AUD 1,000

Your Free Equity is Total Equity less your Margin Requirement

You decide to hold the Position overnight. The closing price of AUDUSD for the day was 0.92780, the same as your sell price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the interbank market, which fluctuates daily and represents the difference between the interest differential of the two currency pairs involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

A buy trade at 0.92800 and a sell trade at 0.927905 will be generated simultaneously to reflect the Rollover Charge. As the AUD is the higher yielding currency and you are Long AUD, so your account is debited with USD 15.00

Your open Position will remain at the historical purchase price of 0.92780. This way you can always keep track of your original sell price

Let say, at 11:30 a.m., the AUD has appreciated to 0.93300 after the RBA has indicated that further interest rate hike is necessary to control inflation. Your Position is marked to market which will change your account balance

Your initial Margin Requirement remains at AUD 1,000

Your Free Equity is Total Equity less your initial Margin Requirement

At 4 p.m. you decided to close your Position as your prediction was wrong AUD has appreciated against the USD to 0.93500/52

Closing the Position

You buy AUDUSD100,000 at offer price of 0.93520 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for trading Margin FX Contracts.

Realised Loss

Initial Margin Requirement will be zero because you have closed your Position

Free Equity is your Total Equity less Margin Requirement

In this example, you were wrong in predicting the AUD will appreciate against the USD. After commission and daily rollover charge for one day you would have made a AUD 770.05 loss.

2.3 – Example of going long and going into Margin Call on Margin Foreign Exchange

You maintain an account with CMG Australia and your account has a an Opening balance of AUD 5,000 and you believe that the price of the Australian Dollar (AUD) is going to appreciate against the US Dollar (USD) which is currently at 0.92800. You decide to buy AUD 300,000 against USD at the current price.

DAY ONE

Opening a Position

The price of AUDUSD spot is 0.92780 (bid price)/0.92800 (offer price)

You buy AUD 300,000 at the exchange rate of 0.92800

You pay $0 commission for this trade. CMG Australia charges no commission for trading margin foreign exchange

Your Margin Requirement for this trade is 1% of the amount traded. Therefore, your Margin Requirement to open this Position is AUD 3,000

Your free equity is total equity less your Margin Requirement

You decide to hold the Position overnight. However, in the US market, the AUDUSD had fallen to close at 0.92100 due to a better than expected US employment figure. Because you have decided to hold your Position overnight you will incur a Daily Rollover Charge, which is calculated according to the overnight swap rate in the interbank market, which fluctuates daily and represents the difference between the interest differential of the two currency pairs involved. The Rollover Rate is variable according to currency pairs and calculated as set out at section 13.6 of our Client Agreement.

DAY TWO

The Next Day

A sell trade at 0.92100 and a buy trade at 0.920905 will be generated simultaneously to reflect the Rollover Charge. As the AUD is the higher yielding currency and you are long AUD, so your account is credited with USD 9.50

Your open Position will remain at the historical purchase price of 0.92800. This way you can keep track of your original purchase price at all times

Your account is marked to market at the closing price which will change your account balance

Your Margin Requirement remains at AUD 3,000

Your Free Equity is Total Equity less your Margin Requirement

As your Free Equity has fallen into a debit balance, you would now be on a Margin Call

In this example, the AUDUSD had moved against you and your Total Equity balance fell below your Margin Requirement, your account will be placed on Margin Call. When your account moves into deficit you have two options. You can either reduce your Position in order to reduce your Margin Requirement or deposit additional funds into your account in order to increase the equity amount and satisfy the Margin Call. When you are in Margin Call you are not allowed to open any new Positions. Further Margin Calls will be made if the AUDUSD keeps falling during the day. Please refer to the following example.

Example of Gong Long and going into further Margin Call on Margin Foreign Exchange

At 10 a.m. AUDUSD falls to 0.91800/82

Calculation

Your account is marked to market at the current market price which will change your account balance

Your Margin Requirement remains at AUD 3,000

Free Equity is your Total Equity less Margin Requirement

As your Free Equity has fallen further, you would now be on a second Margin Call

As you have not responded to the first Margin Call and your account debit has fallen further you will be sent a second Margin Call. You need to do one of the following:

either depositing additional funds in to your account; or

close or reduce one or more or parts of your open Position(s)

If you choose to deposit additional funds into your account, these funds must be Cleared Funds before they will be treated as having satisfying your Margin Call requirements.

Alternatively, you may wish to consider whether to place a Stop Loss order to try to avoid a deficit balance on your account.

2.4 – Example of going short and going into Margin Call on Margin Foreign Exchange

You maintain an account with CMG Australia and your account has an Opening balance of AUD 5,000 and you believe that the price of the Australian Dollar (AUD) is going to depreciate against the US Dollar (USD) which is currently at 0.9278/80. You decide to sell AUD 300,000 against USD at the current price.

DAY ONE

Opening a Position

The price of AUDUSD spot is 0.92780 (bid price)/0.92800 (offer price)

You sell AUD 300,000 at the exchange rate of 0.92780

You pay no commission for this trade. CMG Australia charges no commission for trading Margin FX Contracts

Your Margin Requirement for this trade is 1% of the amount traded. Therefore, your Margin Requirement to open this Position is AUD 3,000

Your Free Equity is Total Equity less your Margin Requirement

You decide to hold the Position overnight. However, in the US market, the AUDUSD had risen to close at 0.93500 due to a worse than expected US employment figure. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the Interbank Market, which fluctuates daily and represents the difference between the interest differential of the two currency pairs involved. The Rollover Rate is variable according to currency pairs and calculated as set out at section 13.6 of our Client Agreement.

DAY TWO

The Next Day

A buy trade at 0.93500 and a sell trade at 0.93485 will be generated simultaneously to reflect the Rollover Charge.As the AUD is the higher yielding currency and you are short AUD, so your account is debited with USD 10.50

Your open Position will remain at the historical purchase price of 0.92800. This way you can keep track of your original purchase price at all times

Your account is marked to market at the closing price which will change your account balance

Your Margin Requirement remains at AUD 3,000

Your Free Equity is Total Equity less your Margin Requirement

As your Free Equity has fallen into a debit balance, you would now be on a Margin Call

In this example, the AUDUSD had moved against you and your Total Equity balance fell below your Margin Requirement, your account will be placed on Margin Call. When your account moves into deficit you have two options. You can either reduce your Position in order to reduce your Margin Requirement or deposit additional funds into your account in order to increase the equity amount and satisfy the

Margin Call. When you are in Margin Call you are not allowed to open any new Positions. Further Margin Calls will be made if the AUDUSD keeps going up during the day. Please see the following example.

Example of Going Short and going into further Margin Call on Margin Foreign Exchange

At 10 a.m. AUDUSD rallies to 0.93800/82

Calculation

Your account is marked to market at the current market price which will change your account balance

Your Margin Requirement remains at AUD 3,000

Free Equity is your Total Equity less Margin Requirement

As your Free Equity has fallen further, you would now be on a second Margin Call

As you have not responded to the first Margin Call and your account debit has fallen further you will be sent a Second Margin Call. You need to do one of the following:

either depositing additional funds in to your account; or

closing or reducing one or more or part of your open Position(s)

If you choose to deposit additional funds into your account, these funds must be Cleared Fund before they will be treated as having satisfying your Margin Call requirements.

Alternatively, you may wish to consider whether to place a Stop Loss order to try to avoid a deficit balance on your account.

2.5 – Example of going long on Bullion CFD (gold)

Example of Going Long and making a profit on Gold

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of spot Gold is going to appreciate against the US Dollar (USD) which is currently at 982.80/3.30. You decide to buy 100 OZ of Gold (1 contract) at the current price.

DAY ONE

Opening a Position

The price of spot Gold is 982.80 (bid price)/983.30 (offer price)

You buy 100 OZ (1 contract) at the exchange rate of 983.30

You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Your Margin Requirement for this trade is 1% of the amount traded

Your Free Equity is Total Equity less your Margin Requirement

You decide to hold the Position overnight. The closing price of spot Gold for the day was 983.30, the same as your purchase price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the Interbank Market, which fluctuates daily and represents the difference between the interest differential of Gold and USD involved. The Rollover Rate is variable according to currency pairs and calculated as set out at Section 13.6 of our Client Agreement.

DAY TWO

The Next Day

Your account will be charged with USD8.10 for being long spot Gold

Your open Position will remain at the historical purchase price of 983.30. This way you can keep track of your original purchase price at all times

Let say, at 11:30 a.m., spot gold has moved up to 990.00. Your Position is marked to market which will change your account balance

Your Margin Requirement

Your Free Equity is Total Equity less your Margin Requirement

At 4 p.m. you decided to close your Position as spot Gold has appreciated to 995.00/60

Closing the Position

You sell 100 OZ at bid price of 995.00 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for Margin Commodity Trading

Realised Profit

Initial Margin Requirement will be zero because you have closed your Position

Free Equity is your Total Equity less Margin Requirement

In this example, you were correct in predicting spot Gold will appreciate against the USD. After commission and daily Rollover Charge for one day you would have made AUD 1,245.82 profit. However, if your prediction was wrong and the price had moved in the opposite direction by an equal amount, your loss would have been AUD 1,237.06. Please see the example below for how this loss is calculated.

Example of Going Long and making a loss on Gold

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of spot Gold is going to appreciate against the US Dollar (USD) which is currently at 982.80/3.30. You decide to buy 100 OZ of Gold (1 contract) at the current price.

DAY ONE

Opening a Position

The price of spot Gold is 982.80 (bid price)/983.30 (offer price)

You buy 100 OZ (1 contract) at the exchange rate of 983.30

You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Your Margin Requirement for this trade is 1% of the amount traded

Your Free Equity is Total Equity less your Margin Requirement

You decide to hold the Position overnight. The closing price of spot Gold for the day was 983.30, the same as your purchase price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the Interbank Market, which fluctuates daily and represents the difference between the interest differential of Gold and USD involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

Your account will be charged with USD8.10 for being Long spot Gold

Your open Position will remain at the historical purchase price of 983.30. This way you can keep track of your original purchase price at all times

Let say, at 11:30 a.m., spot gold has weakened to 977.00. Your Position is marked to market which will change your account balance

Your Margin Requirement

Your Free Equity is Total Equity less your Margin Requirement

At 4 p.m. you decided to close your Position as your prediction was wrong spot Gold has fallen further to 970.00/60

Closing the Position

You sell 100 OZ at bid price of 977.00/06 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Realised Loss

Initial Margin Requirement will be zero because you have closed your Position

Free Equity is your Total Equity less Margin Requirement

In this example, you were wrong in predicting spot Gold will appreciate against the USD. After commission and daily Rollover Charge for one day you would have made AUD 1,237.06 loss.

2.6 – Example of going short on Bullion CFD (gold)

Example of Going Short and making a profit on Gold

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of spot Gold is going to depreciate against the US Dollar (USD) which is currently at 982.70/3.30. You decide to sell 100 OZ of Gold (1 contract) at the current price.

DAY ONE

Opening a Position

The price of spot Gold is 982.80 (bid price)/983.30 (offer price)

You sell 100 OZ (1 contract) at the exchange rate of 982.70

You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Your Margin Requirement for this trade is 1% of the amount traded

Your Free Equity is Total Equity less your Margin Requirement

You decide to hold the Position overnight. The closing price of spot Gold for the day was 982.70, the same as your purchase price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the interbank market, which fluctuates daily and represents the difference between the interest differential of Gold and USD involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

Your account will be credited with USD 7.20 for being short spot Gold

Your open Position will remain at the historical purchase price of 982.70. This way you can keep track of your original purchase price at all times

Let say, at 11:30 a.m., spot gold has moved down to 976.00. Your Position is marked to market which will change your account balance

Your Margin Requirement

Your Free Equity is Total Equity less your Margin Requirement

At 4 p.m. you decided to close your Position as spot Gold has depreciated to 970.80/40

Closing the Position

You buy 100 OZ at offer price of 971.40 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Realised Profit

Initial Margin Requirement will be zero because you have closed your Position

Free Equity is your Total Equity less Margin Requirement

In this example you were correct in predicting spot Gold will depreciate against the USD. After commission and daily Rollover Charge for one day you would have made AUD 1,236.06 profit. However, if your prediction was wrong and the price had moved in the opposite direction by an equal amount, your loss would have been AUD 1,220.46. Please see the example below for how this loss is calculated.

Example of Going Short and making a loss on Gold

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of spot Gold is going to depreciate against the US Dollar (USD) which is currently at 982.70/3.30. You decide to sell 100 OZ of Gold (1 contract) at the current price.

DAY ONE

Opening a Position

The price of spot Gold is 982.70 (bid price)/983.30 (offer price)

You sell 100 OZ (1 contract) at the exchange rate of 982.70

You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Your Margin Requirement for this trade is 1% of the amount traded

Your Free Equity is Total Equity less your Margin Requirement

You decide to hold the Position overnight. The closing price of spot Gold for the day was 982.70, the same as your purchase price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the interbank market, which fluctuates daily and represents the difference between the interest differential of Gold and USD involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

Your account will be credited with USD 7.20 for being Short spot Gold

Your open Position will remain at the historical purchase price of 983.30. This way you can keep track of your original purchase price at all times

Let say, at 11:30 a.m., spot gold has moved up to 989.40. Your Position is marked to market which will change your account balance

Your Margin Requirement

Your Free Equity is Total Equity less your Margin Requirement

At 4 p.m. you decided to close your Position as your prediction was wrong spot Gold has risen further to 993.40/4.00

Closing the Position

You buy 100 OZ at offer price of 994.00 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Realised Loss

Initial Margin Requirement will be zero because you have closed your Position

Free Equity is your Total Equity less Margin Requirement

In this example, you were wrong in predicting spot Gold will depreciate against the USD. After commission and daily Rollover Charge for one day you would have made AUD 1,220.46 loss.

2.7 – Example of going long on Bullion CFD (gold) and going into Margin Call

Example of Going Short and making a profit on Gold

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of spot Gold is going to appreciate against the US Dollar (USD) which is currently at 982.80/3.30. You decide to buy 1,000 OZ of Gold (10 contract) at the current price.

DAY ONE

Opening a Position

The price of spot Gold is 982.70 (bid price)/983.30 (offer price)

You buy 1,000 OZ (10 contract) at the exchange rate of 983.30

You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Your Margin Requirement for this trade is 1% of the amount traded

Your Free Equity is Total Equity less your Margin Requirement

You decide to hold the Position overnight. The closing price of spot Gold for the day was lower at 973.80, due to a better than expected US employment figure. Because you have decided to hold your Position overnight you will incur a Daily Rollover Charge, which is calculated according to the overnight swap rate in the Interbank Market, which fluctuates daily and represents the difference between the interest differential of Gold and USD involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

Your account will be charged with USD 81.00 for being Long spot Gold

Your open Position will remain at the historical purchase price of 983.30. This way you can keep track of your original purchase price at all times

Your Position is marked to market which will change your account balance

Your Margin Requirement for this trade is 1% of the amount traded

Your Free Equity is Total Equity less your Margin Requirement

As your Free Equity has fallen into a deficit, you would now be on a Margin Call

In this example, the price of spot Gold had moved against you and your Total Equity Balance fell below your Margin Requirement, your account will be placed on Margin Call. When your account moves into deficit you have two options. You can either reduce your Position in order to reduce your Margin Requirement or deposit additional funds into your account in order to increase the equity amount and satisfy the Margin Call. When you are in Margin Call you are not allowed to open any new Positions. Further Margin Calls will be made if spot Gold keeps falling during the day. Please see the following example.

Example of Going Long and going into further Margin Call on Gold

At 10 a.m. spot Gold falls to 973.00/60

Calculation

Your account is marked to market at the current market price which will change your account balance

Your Margin Requirement for this trade is 1% of the amount traded

Free Equity is your Total Equity less Margin Requirement

As your Free Equity has fallen further, you would now be on a second Margin Call

As you have not responded to the first Margin Call and your account debit has fallen further you will be sent a second Margin Call. You need to do one of the following:

either depositing additional funds in to your account; or

close or reduce one or more or part of your open Position(s)

If you choose to deposit additional funds into your account, these funds must be Cleared Funds before they will be treated as having satisfying your Margin Call requirements.

Alternatively, you may wish to consider whether to place a Stop Loss Order to try to avoid a deficit balance on your account.

2.8 – Example of going short on Bullion CFD (gold) and going into Margin Call

Example of Going Short and going into Margin Call on Gold

You opened an account with CMG Australia and your account has an opening balance of AUD20,000 and you believe that the price of spot Gold is going to depreciate against the US Dollar (USD) which is currently at 982.70/3.30. You decide to sell 1,000 OZ of Gold (10 contract) at the current price.

DAY ONE

Opening a Position

The price of spot Gold is 982.70 (bid price)/983.30 (offer price)

You sell 1,000 OZ (10 contract) at the exchange rate of 982.70

You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Your Margin Requirement for this trade is 1% of the amount traded

Your Free Equity is Total Equity less your Margin Requirement

You decide to hold the Position overnight. The closing price of spot Gold for the day was higher at 992.20, due to a worse than expected US employment figure. Because you have decided to hold your Position overnight you will incur a Daily Rollover Charge, which is calculated according to the overnight swap rate in the Interbank Market, which fluctuates daily and represents the difference between the interest differential of Gold and USD involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

Your account will be credited with USD 72.00 for being Short spot Gold

Your open Position will remain at the historical purchase price of 982.70. This way you can keep track of your original purchase price at all times

Your Position is marked to market which will change your account balance

Your Margin Requirement

Your Free Equity is Total Equity less your Margin Requirement

As your Free Equity has fallen into a deficit, you would now be on a Margin Call

In this example, the price of spot Gold had moved against you and your Total Equity Balance fell below your Margin Requirement, your account will be placed on Margin Call. When your account moves into deficit you have two options. You can either reduce your Position in order to reduce your Margin Requirement or deposit additional funds into your account in order to increase the equity amount and satisfy the Margin Call. When you are in Margin Call you are not allowed to open any new Positions.

Further Margin Calls will be made if spot Gold keeps falling during the day. Please refer to the following example.

Example of Going Short and going into further Margin Call on Gold

At 10 a.m. spot Gold moves higher to 992.40/3.00

Closing the Position

Your account is marked to market at the current market price which will change your account balance

Your Margin Requirement for this trade is 1% of the amount traded

Free Equity is your Total Equity less Margin Requirement

As your Free Equity has fallen further, you would now be on a second Margin Call

As you have not responded to the first Margin Call and your account debit has fallen further you will be sent a second Margin Call. You need to do one of the following:

either depositing additional funds in to your account; or

close or reduce one or more or part of your open Position(s)

If you choose to deposit additional funds into your account, these funds must be Cleared Funds before they will be treated as having satisfying your Margin Call requirements.

Alternatively, you may wish to consider whether to place a Stop Loss Order to try to avoid a deficit balance on your account.

2.9 – Example of going short on Index Futures CFD

Example of Going Short and making a profit on SPI 200 Index Futures CFDs

You opened an account with CMG Australia and your account has an opening balance of AUD 10,000

DAY ONE

Opening a Position

The price of SPI 200 Futures Index CFD is 3439 (bid price)/3441 (offer price)

You sell 10 SPI 200 Futures Index CFDs at the offer price of 3439

You will pay no commission when you trade our Index Futures CFDs

Your Initial Margin Requirement for this trade is the number of CFDs multiplied by trade price multiplied by the margin rate.Your initial Margin Requirement to open this Position is $343.90

Free Equity is your Total Equity less your Margin Requirement

You decided to hold the Position overnight. The closing price for SPI 200 Futures Index CFD for the day was 3441, the same as your purchase price.

DAY TWO

The Next Day

Daily financing charges or benefits do not apply to Index Futures CFDs

Following a negative movement overseas the SPI 200 Futures Index opened lower at 2897/99

Your Position is marked to market at 2899.

Your open Position will remain at the historical purchase price of 3441. This way you can keep track of your original sell price at all times

Free Equity is your Total Equity less your Margin Requirement

At 3:45 p.m. you decided to close your Position. The market is quoted at 2849

Closing the Position

You buy 10 SPI 200 Index Futures CFDs at 2849 market offer price

You will pay no commission when you trade Index Futures CFDs

Realised Profit

Free Equity is your Total Equity less your Margin Requirement

In this example, you were right in predicting the SPI 200 Index Futures will go up and you would have made AUD 590.00 profit. However, if your prediction was wrong and the price of the SPI 200 Index Futures moved in the opposite direction by an equal amount, your loss would have been AUD 590.00. Please see the example below for how this loss is calculated.

Example of Going Short and making a loss on SPI 200 Index futures CFDs

You opened an account with CMG Australia and your account has an opening balance of AUD 10,000

DAY ONE

Opening a Position

The price the SPI 200 Index Futures CFD is 3439 (bid price)/3441 (offer price)

You sell 10 SPI 200 Index Futures CFDs at the offer price of 3441.

You will pay no commission when you trade our Index Futures CFDs

Your Initial Margin Requirement for this trade is the number of CFDs multiplied by trade price multiplied by the Margin rate. Your initial Margin Requirement to open this Position is $343.90

Free Equity is your Total Equity less your Margin Requirement

You decided to hold the Position overnight. The closing price for the SPI 200 Index Futures CFD for the day was 3441

DAY TWO

The Next Day

Daily financing charges or benefits do not apply to Futures CFDs

Following a positive movement overseas the SPI 200 Futures Index opened higher at 3977/79

Your Position is marked to market at 3979.

Your open Position will remain at the historical purchase price of 3439. This way you can keep track of your original purchase price at all times.

Free Equity is your Total Equity less your Margin Requirement

At 3:45 p.m. you decided to close your Position. The market is quoted at 3382/84.

Closing the Position

You BUY 10 AUS Index Futures CFDs at 4029 market offer price

You will pay no commission when you trade our Index Futures CFDs

Realised Loss

Initial Margin Requirement Will be zero because you have closed your Position

Free Equity is your Total Equity less your Margin Requirement

In this example, you were wrong in predicting the SPI 200 Index Futures will go up and you would have made a AUD 590.00 loss.

2.10 – Example of going long on Margin FX Contracts

Example of Going Long and making a profit on Margin FX Contracts

You opened an account with CMG Australia and your account has an opening balance of AUD 10,000

DAY ONE

Opening a Position

The price of SPI 200 Futures Index CFD is 3439 (bid price)/3441 (offer price)

You buy 10 SPI 200 Futures Index CFDs at the offer price of 3441.

You will pay no commission when you trade Index Futures CFDs

Your Initial Margin Requirement for this trade is the number of CFDs multiplied by trade price multiplied by the margin rate. Your initial Margin Requirement to open this Position is $344.10

Free Equity is your Total Equity less your Margin Requirement

You decided to hold the Position overnight. The closing price for SPI 200 Futures Index CFD for the day was 3441, the same as your purchase price.

DAY TWO

The Next Day

Daily financing charges or benefits do not apply to Index Futures CFDs

Following a Position movement overseas the SPI 200 Futures Index opened higher at 3495/97

Your Position is marked to market at 3495.

Your open Position will remain at the historical purchase price of 3441. This way you can keep track of your original purchase price at all times.

Free Equity is your Total Equity less your Margin Requirement

At 3:45 p.m. you decided to close your Position. The market is quoted at 3500

Closing the Position

You sell 10 SPI 200 Index Futures CFDs at 3500 market bid price

You will pay no commission when you trade Index Futures CFDs

Realised Profit

Free Equity is your Total Equity less your Margin Requirement

In this example, you were right in predicting the SPI 200 Index Futures will go up and you would have made AUD 590.00 profit. However, if your prediction was wrong and the price of the SPI 200 Index Futures moved in the opposite direction by an equal amount, your loss would have been AUD 590.00. Please see the example below for how this loss is calculated.

Example of Going Long and making a profit on Margin FX Contracts

You opened an account with CMG Australia and your account has an opening balance of AUD 10,000

DAY ONE

Opening a Position

The price the SPI 200 Index Futures CFD is 3439 (bid price)/3441 (offer price)

You buy 10 SPI 200 Index Futures CFDs at the offer price of 3441.

You will pay no commission when you trade our Index Futures CFDs

Your Initial Margin Requirement for this trade is the number of CFDs multiplied by trade price multiplied by the margin rate. Your initial Margin Requirement to open this Position is $344.10

Free Equity is your Total Equity less your Margin Requirement

You decided to hold the Position overnight. The closing price for the SPI 200 Index Futures CFD for the day was 3441, the same as your purchase price.

DAY TWO

The Next Day

Daily financing charges or benefits do not apply to Index Futures CFDs

Following a negative movement overseas the SPI 200 Futures Index opened lower at 3387/89

Your Position is marked to market at 3495.

Your open Position will remain at the historical purchase price of 3441. This way you can keep track of your original purchase price at all times.

Free Equity is your Total Equity less your Margin Requirement

At 3:45 p.m. you decided to close your Position. The market is quoted at 3382/84

Closing the Position

You sell 10 AUS Index Futures CFDs at 3382 market bid price

You will pay no commission when you trade our Index Futures CFDs

Realised Loss

Initial Margin Requirement Will be zero because you have closed your Position

Free Equity is your Total Equity less your Margin Requirement

In this example, you were wrong in predicting the SPI 200 Index Futures will go up and you would have made a AUD 590.00 loss.

IBR 1 – Contracts for Difference and Margin Forex contracts

1.1 Long and Short Positions

You go “long” when you buy a Margin FX Contract or CFD 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.You go “short” when you sell a Margin FX Contract or CFD 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 Contract or CFD (rather than bought a Margin FX Contract or CFD), you would make a profit if you closed the Position at this point, subject to our fees and charges.

1.2 Example of Margin FX trading

You are watching the currency market and, whilst you do not have any physical requirement to buy or sell AUD against the USD, you are of the opinion that the AUD will strengthen against the USD over the next few days. So, you can either trade online on our Trading Platform or call our desk and ask our staff for a price for you to buy AUD and sell USD with the intention to close out the trade at some time in the

future. You are quoted a AUD/USD rate of 0.7000 and accept that rate. Note that it is your intention that this Position will be closed-out before expiry.

On the next day the AUD has strengthened against the USD and you call our desk and ask our staff for a price for you to sell AUD and buy USD.

You are quoted an AUD/USD rate of 1.04.

Day 1: Buy AUD 100,000 @ 1.04 against USD

USD value = 104,000

Day 2: Sell AUD 100,000 @ 1.05 against USD

USD value = 105,000

Net trading profit: = USD 1,000 gross profit (excluding costs).

* Please note these rates are used for illustrative purposes only and are not meant to be taken as an actual conversion rate that is available in the market at this time.

* See also IBR 3.

IBR 2 – Trading Examples

This section provides you with some trading examples of Margin FX Contracts and the CFDs that we are offering under the PDS in relation to the execution of those trades for Australian Clients only. Margin Percentages may be changed without those examples being updated and all other amounts are approximation for illustration purposes only. To ascertain the currently applicable Rollover Charges and Benefits you should refer to our Website or call our Client Services Department. The use of examples in the PDS is provided for illustrative purposes only and does not necessarily reflect current or future market prices or the prices that we will apply to trade, nor how such trades have an impact on your personal circumstances.

2.1 – Examples of Going Long in Margin FX

Example of Going Long and making a profit on Margin FX Contracts

You opened an account with CMG Australia and your account has an opening balance of AUD20,000 and you believe that the price of the Australian Dollar (AUD) is going to appreciate against the US Dollar (USD) which is currently at 0.9280. You decide to buy AUD 100,000 against USD at the current price.

DAY ONE

Opening a Position

Calculation

Account Display

The price of AUDUSD spot is 0.92780 (bid price)/0.92800 (offer price)

Opening Balance

AUD 20,000

You buy AUD100,000 at the exchange rate of 0.92800

You pay no commission for this trade. CMG Australia charges no commission for trading Margin FX

Your Margin Requirement for this trade is 1% of the amount traded. Therefore, your Margin Requirement to open this Position is AUD 1,000

AUD 100,000 x 1% = AUD 1,000

Initial Margin Requirement

AUD 1,000

Your Free Equity is Total Equity less your Margin Requirement

AUD 20,000 – 1,000 = AUD 19,000

Free Equity

AUD 19,000

You decide to hold the Position overnight. The closing price of AUDUSD for the day was 0.92800, the same as your purchase price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the interbank market, which fluctuates daily and represents the difference between the interest differential of the two currency pairs involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

Calculation

Account Display

A sell trade at 0.92800 and simultaneously a buy trade at 0.927905 will be generated to reflect the Rollover Charge. As the AUD is the higher yielding currency and you are long AUD, so your account is credited with USD 9.50

Daily Rollover Charge (0.92800 – 0.927905) x 100000 = USD 9.50

This amount will be booked in your base currency, which is AUD at 0.92800 = AUD 10.24

Total Equity will be

AUD 20,000.00 + 10.24 = AUD 20,010.24

Total Equity

AUD 20,010.24

Your open Position will remain at the historical purchase price of 0.9280. This way you can keep track of your original purchase price at all times

Let say, at 11:30 a.m., the AUD has moved up to 0.93300 after the RBA has indicated that further interest rate hike is necessary to curb inflation. Your Position is marked to market which will change your account balance.

Unrealised Profit (0.93300 – 0.92800) x 100000 = USD 500

This amount will be booked in your AUD base currency at the rate of 0.93300 = AUD 535.91

New Equity Balance

AUD 20,010.24 + 535.91 = AUD 20,546.15

Total Equity

AUD 20,546.15

Your Margin Requirement remains at AUD 1,000

AUD 100,000 x 1% = AUD 1,000

Margin Requirement

AUD 1,000

Your Free Equity is Total Equity less your Margin Requirement

AUD 20,546.15 – 1,000 = AUD 19,546.15

Free Equity

AUD 19,546.15

At 4 p.m. you decided to close your Position as AUD has appreciated to 0.9350

Closing the Position

Calculation

Account Display

You sell AUDUSD100,000 at bid price of 0.93500 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for Margin FX trading

Realised Profit

(0.93500 – 0.92800) x 100000 = USD 700.00 (AUD 748.66) New Balance

AUD 20,010.24 + 748.66 = AUD 20,758.90

Total Equity

AUD 20,758.90

Initial Margin Requirement will be zero because you have closed your Position

Margin Requirement

AUD 0.00

Free Equity is your Total Equity less Margin Requirement

AUD 20,758.90 – 0.0 = AUD 20,758.90

Free Equity

AUD 20,758.90

In this example, you were correct in predicting the AUD will appreciate against the USD. After daily rollover charge for one day you would have made AUD 758.90 profit. However, if your prediction was wrong and the price had moved in the opposite direction by an equal amount, your loss would have been AUD 749.80. Please see the example below for how this loss is calculated.

Example of Going Long and making a loss on Margin FX Contracts

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of the Australian Dollar (AUD) is going to appreciate against the US Dollar (USD) which is currently at 0.92800. You decide to buy AUD 100,000 against USD at the current price.

DAY ONE

Opening a Position

Calculation

Account Display

The price of AUDUSD spot is 0.92780 (bid price)/0.92800 (offer price)

Opening Balance

AUD 20,000

You buy AUD 100,000 at the exchange rate of 0.92800

You pay no commission for this trade. CMG Australia charges no commission for trading Margin FX Contracts.

Your Margin Requirement for this trade is 1% of the amount traded. Therefore, your Margin Requirement to open this Position is AUD 1,000

AUD 100,000 x 1% = AUD 1,000

Initial Margin Requirement

AUD 1,000

Your Free Equity is Total Equity less your Margin Requirement

20,000 – 1,000 = 19,000

Free Equity

AUD 19,000

You decide to hold the Position overnight. The closing price of AUDUSD for the day was 0.92800, the same as your sell price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the interbank market, which fluctuates daily and represents the difference between the interest differential of the two currency pairs involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

Calculation

Account Display

A sell trade at 0.92800 and simultaneously a buy trade at 0.927905 will be generated to reflect the Rollover Charge. As the AUD is the higher yielding currency and you are Long AUD, so your account is credited with USD 9.50

Daily Rollover Charge (0.92800 – 0.927905) x 100000 = USD 9.50

This amount will be booked in your base currency, which is AUD at 0.92800 = AUD 10.24

Total Equity will be

AUD 20,000 – 10.247 = AUD 20,010.24

Total Equity

AUD 20,010.24

Your open Position will remain at the historical purchase price of 0.9278. This way you can always keep track of your original sell price

Let say, at 11:30 a.m., the AUD has dropped to 0.9230 after the RBA has indicated that further interest rate hike is not necessary as inflation was under control. Your Position is marked to market which will change your account balance

Unrealised loss (0.92300 – 0.92800) x 100000 = USD -500

This amount will be booked in your AUD base currency at the rate of 0.92300 = AUD -541.71

New Equity Balance

20,010.24 – 541.71 = 19,468.53

Total Equity

AUD 19,468.53

Your initial Margin Requirement remains at AUD 1,000

AUD 100,000 x 1% = AUD 1,000

Margin Requirement

AUD 1,000

Your Free Equity is Total Equity less your initial Margin Requirement

AUD 19,468.53 – 1,000 = AUD 18,468.53

Free Equity

AUD 18,468.53

At 4 p.m. you decided to close your Position as your prediction was wrong AUD has depreciated against the USD to 0.92100/12

Closing the Position

Calculation

Account Display

You sell AUDUSD100,000 at bid price of 0.92100 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for Margin FX Contract trading.

Realised Loss

(0.92100 – 0.92800) x 100000 = USD -700.00 (AUD -760.04)New Balance

AUD 20,010.24 – $760.04 = AUD 19,250.20

Total Equity

AUD 19,250.20

Initial Margin Requirement will be zero because you have closed your Position

Margin Requirement

AUD 0.00

Free Equity is your Total Equity less Margin Requirement

In this example, you were wrong in predicting the AUD will appreciate against the USD. After commission and daily Rollover Charge for one day you would have made AUD 749.80 (-AUD 760.04 + 10.24) loss.

2.2 – Examples of Going Short in Margin FX

Example of Going Short and making a profit on Margin FX Contracts

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of the Australian Dollar (AUD) is going to depreciate against the US Dollar (USD) which is currently at 0.92780. You decide to sell AUD 100,000 against USD at the current price.

DAY ONE

Opening a Position

Calculation

Account Display

The price of AUDUSD spot is 0.92780 (bid price)/0.92800 (offer price)

Opening Balance

AUD 20,000

You sell AUD 100,000 at the exchange rate of 0.92780

You pay no commission for this trade. CMG Australia charges no commission for trading Margin FX Contracts

Your Margin Requirement for this trade is 1% of the amount traded. Therefore, your Margin Requirement to open this Position is AUD 1,000

AUD 100,000 x 1% = AUD 1,000

Initial Margin Requirement

AUD 1,000

Your Free Equity is Total Equity less your Margin Requirement

AUD 20,000 – $1,000 = AUD 19,000

Free Equity

AUD 19,000

You decide to hold the Position overnight. The closing price of AUDUSD for the day was 0.9278, the same as your sell price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the interbank market, which fluctuates daily and represents the difference between the interest differential of the two currency pairs involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

Calculation

Account Display

A buy trade at 0.92780 and simultaneously a sell trade at 0.92765 will be generated to reflect the Rollover Charge. As the AUD is the higher yielding currency and you are short AUD, so your account is debited with USD 15.00

Daily Rollover Charge (0.92780 – 0.92765) x 100000 = USD 15.00

This amount will be booked in your base currency, which is AUD at 0.92780 = AUD 16.17

Total Equity will be

AUD 20,000.00 – 16.17 = AUD 19,983.83

Total Equity

AUD 19,983.83

Your open Position will remain at the historical purchase price of 0.92780. This way you can keep track of your original purchase price at all times

Let say, at 11:30 a.m., the AUD has depreciated to 0.92300 after the RBA has indicated that further interest rate hike is not necessary as inflation was under control. Your Position is marked to market which will change your account balance

Unrealised Profit (0.92300 – 0.92780) x 100000 = USD 480

This amount will be booked in your AUD base currency at the rate of 0.92300 = AUD 520.04

New Equity Balance

AUD 19,983.83 + 520.04 = AUD 20,503.87

Total Equity

AUD 20,503.87

Your Margin Requirement remains at AUD 1,000

AUD 100,000 x 1% = AUD 1,000

Initial Margin Requirement

AUD 1,000

Your Free Equity is Total Equity less your Margin Requirement

AUD 20,503.87 – 1,000 = AUD 19,503.87

Free Equity

AUD 19,503.87

At 4 p.m. you decided to close your Position as AUD has depreciated further to 0.9210/12

Closing the Position

Calculation

Account Display

You buy AUDUSD 100,000 at offer price of 0.92120 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for trading Margin FX Contracts

Realised Profit

(0.92780 – 0.92120) x 100000 = USD 660.00 (AUD 716.46) New Balance

AUD 19,983.83 + 716.46 = AUD 20,700.29

Total Equity

AUD 20,700.29

Initial Margin Requirement will be zero because you have closed your Position

Margin Requirement

AUD 0.00

Free Equity is your Total Equity less Margin Requirement

In this example, you were correct in predicting the AUD will depreciate against the USD. After commission and daily Rollover Charge for one day you would have made AUD 700.29 profit. However, if your prediction was wrong and the price had moved in the opposite direction by an equal amount, your loss would have been AUD 770.05. Please see the example below for how this loss is calculated.

Example of Going Short and making a loss on Margin FX Contracts

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of the Australian Dollar (AUD) is going to depreciate against the US Dollar (USD) which is currently at 0.92780. You decide to sell AUD 100,000 against USD at the current price.

DAY ONE

Opening a Position

Calculation

Account Display

The price of AUDUSD spot is 0.92780 (bid price)/0.92800 (offer price)

Opening Balance

AUD 20,000

You sell AUD100,000 at the exchange rate of 0.92780

You pay no commission for this trade. CMG Australia charges no commission for trading Margin FX Contracts.

Your Margin Requirement for this trade is 1% of the amount traded. Therefore, your Margin Requirement to open this Position is AUD 1,000

AUD 100,000 x 1% = AUD 1,000

Margin Requirement

AUD 1,000

Your Free Equity is Total Equity less your Margin Requirement

AUD 20,000 – 1,000 = AUD 19,000

Free Equity

AUD 19,000

You decide to hold the Position overnight. The closing price of AUDUSD for the day was 0.92780, the same as your sell price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the interbank market, which

fluctuates daily and represents the difference between the interest differential of the two currency pairs involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

Calculation

Account Display

A buy trade at 0.92800 and a sell trade at 0.927905 will be generated simultaneously to reflect the Rollover Charge. As the AUD is the higher yielding currency and you are Long AUD, so your account is debited with USD 15.00

(0.92780 – 0.92765) x 100000 = USD 15.00This amount will be booked in your base currency, which is AUD at 0.92780 = AUD 16.17

Total Equity will be

$20,000 – 16.17 = $19,983.83

Total Equity

AUD 19,983.83

Your open Position will remain at the historical purchase price of 0.92780. This way you can always keep track of your original sell price

Let say, at 11:30 a.m., the AUD has appreciated to 0.93300 after the RBA has indicated that further interest rate hike is necessary to control inflation. Your Position is marked to market which will change your account balance

Unrealised loss (0.93300 – 0.92780) x 100000 = USD 520

This amount will be booked in your AUD base currency at the rate of 0.93300 = AUD 557.34

New Equity Balance

AUD 19,983.83 – 557.34 = AUD 19,426.49

Total Equity

AUD 19,426.49

Your initial Margin Requirement remains at AUD 1,000

$100,000 x 1% = AUD 1,000

Initial Margin Requirement

AUD 1,000

Your Free Equity is Total Equity less your initial Margin Requirement

$19,426.49 – 1,000 = 18,426.49

Free Equity

AUD 18,426.49

At 4 p.m. you decided to close your Position as your prediction was wrong AUD has appreciated against the USD to 0.93500/52

Closing the Position

Calculation

Account Display

You buy AUDUSD100,000 at offer price of 0.93520 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for trading Margin FX Contracts.

Realised Loss

(0.93500 – 0.92780) x 100000 = USD 720.00 (AUD 770.05) New Balance

19,983.83 – 770.05 = 19,213.78

Total Equity

AUD 19,213.78

Initial Margin Requirement will be zero because you have closed your Position

Margin Requirement

AUD 0.00

Free Equity is your Total Equity less Margin Requirement

In this example, you were wrong in predicting the AUD will appreciate against the USD. After commission and daily rollover charge for one day you would have made a AUD 770.05 loss.

2.3 – Example of going long and going into Margin Call on Margin Foreign Exchange

You maintain an account with CMG Australia and your account has an Opening balance of AUD 5,000 and you believe that the price of the Australian Dollar (AUD) is going to appreciate against the US Dollar (USD) which is currently at 0.92800. You decide to buy AUD 300,000 against USD at the current price.

DAY ONE

Opening a Position

Calculation

Account Display

The price of AUDUSD spot is 0.92780 (bid price)/0.92800 (offer price)

Contract AmountAUD 300,000 x 0.9280 = USD 278,400

Opening Balance

AUD 5,000

You buy AUD 300,000 at the exchange rate of 0.92800

You pay $0 commission for this trade. CMG Australia charges no commission for trading margin foreign exchange

Your Margin Requirement for this trade is 1% of the amount traded. Therefore, your Margin Requirement to open this Position is AUD 3,000

AUD 300,000 x 1% = AUD 3,000

Initial Margin Requirement

AUD 3,000

Your free equity is total equity less your Margin Requirement

5,000 – 3,000 = 2,000

Free Equity

AUD 2,000

You decide to hold the Position overnight. However, in the US market, the AUDUSD had fallen to close at 0.92100 due to a better than expected US employment figure. Because you have decided to hold your Position overnight you will incur a Daily Rollover Charge, which is calculated according to the overnight swap rate in the interbank market, which fluctuates daily and represents the difference between the interest differential of the two currency pairs involved. The Rollover Rate is variable according to currency pairs and calculated as set out at section 13.6 of our Client Agreement.

DAY TWO

The Next Day

Calculation

Account Display

A sell trade at 0.92100 and a buy trade at 0.920905 will be generated simultaneously to reflect the Rollover Charge. As the AUD is the higher yielding currency and you are long AUD, so your account is credited with USD 9.50

Daily rollover charge (0.92100 – 0.920905) x 300000 = USD 9.50

This amount will be booked in your base currency, which is AUD at 0.92100 = AUD 10.30

Total Equity will be

5,000 + 10.30 = 5,010.30

Balance

AUD 5,010.30

Your open Position will remain at the historical purchase price of 0.92800. This way you can keep track of your original purchase price at all times

Your account is marked to market at the closing price which will change your account balance

Unrealised Loss:(0.92800 – 0.92100) x 300,000 = USD 2,100

This amount will be booked in your AUD base currency at the rate of 0.92100 = AUD 2,280.13

New Equity:

$5,010.30 – $2,280.13 = $2,730.17

Total Equity

AUD 2,730.17

Your Margin Requirement remains at AUD 3,000

AUD 300,000 x 1% = AUD 3,000

Margin Requirement

AUD 3,000

Your Free Equity is Total Equity less your Margin Requirement

AUD 2,730.17 – $3,000 = AUD -269.83

Free Equity

AUD -269.83

As your Free Equity has fallen into a debit balance, you would now be on a Margin Call

Margin Call

AUD 269.83

In this example, the AUDUSD had moved against you and your Total Equity balance fell below your Margin Requirement, your account will be placed on Margin Call. When your account moves into deficit you have two options. You can either reduce your Position in order to reduce your Margin Requirement or deposit additional funds into your account in order to increase the equity amount and satisfy the Margin Call. When you are in Margin Call you are not allowed to open any new Positions. Further Margin Calls will be made if the AUDUSD keeps falling during the day. Please refer to the following example.

Example of Gong Long and going into further Margin Call on Margin Foreign Exchange

At 10 a.m. AUDUSD falls to 0.91800/82

Calculation

Account Display

Your account is marked to market at the current market price which will change your account balance

Unrealised Loss:(0.92800 – 0.91800) x 300,000 = USD 3,000

This amount will be booked in your AUD base currency at the rate of 0.91800 = AUD 3,267.97

New Equity:

AUD 5,010.30 – AUD 3,267.97 = AUD 1,742.33

Total Equity

AUD 1,742.33

Your Margin Requirement remains at AUD 3,000

AUD 300,000 x 1% = AUD 3,000

Margin Requirement

AUD 3,000

Free Equity is your Total Equity less Margin Requirement

AUD 1,742.33 – AUD 3,000.00 = AUD -1,257.67

Free Equity

AUD -1,257.67

As your Free Equity has fallen further, you would now be on a second Margin Call

Second Margin Call

AUD 1,257.67

As you have not responded to the first Margin Call and your account debit has fallen further you will be sent a second Margin Call. You need to do one of the following:

either depositing additional funds in to your account; or

close or reduce one or more or parts of your open Position(s)

If you choose to deposit additional funds into your account, these funds must be Cleared Funds before they will be treated as having satisfying your Margin Call requirements.

Alternatively, you may wish to consider whether to place a Stop Loss order to try to avoid a deficit balance on your account.

2.4 – Example of going short and going into Margin Call on Margin Foreign Exchange

You maintain an account with CMG Australia and your account has an Opening balance of AUD 5,000 and you believe that the price of the Australian Dollar (AUD) is going to depreciate against the US Dollar (USD) which is currently at 0.9278/80. You decide to sell AUD 300,000 against USD at the current price.

DAY ONE

Opening a Position

Calculation

Account Display

The price of AUDUSD spot is 0.92780 (bid price)/0.92800 (offer price)

Contract Amount AUD 300,000 x 0.92780 = USD 278,340

Opening Balance

AUD 5,000

You sell AUD 300,000 at the exchange rate of 0.92780

You pay no commission for this trade. CMG Australia charges no commission for trading Margin FX Contracts

Your Margin Requirement for this trade is 1% of the amount traded. Therefore, your Margin Requirement to open this Position is AUD 3,000

AUD 300,000 x 1% = AUD 3,000

Initial Margin Requirement

AUD 3,000

Your Free Equity is Total Equity less your Margin Requirement

AUD 5,000 – AUD 3,000 = AUD 2,000

Free Equity

AUD 2,000

You decide to hold the Position overnight. However, in the US market, the AUDUSD had risen to close at 0.93500 due to a worse than expected US employment figure. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the Interbank Market, which fluctuates daily and represents the difference between the interest differential of the two currency pairs involved. The Rollover Rate is variable according to currency pairs and calculated as set out at section 13.6 of our Client Agreement.

DAY TWO

The Next Day

Calculation

Account Display

A buy trade at 0.93500 and a sell trade at 0.93485 will be generated simultaneously to reflect the Rollover Charge. As the AUD is the higher yielding currency and you are short AUD, so your account is debited with USD 10.50

Daily Rollover Charge (0.93500 – 0.93485) x 300000 = USD 10.50

This amount will be booked in your base currency, which is AUD at 0.93500 = AUD 11.23

Total Equity will be

AUD 5,000 – AUD 11.23 = AUD 4,988.77

Total Equity

AUD 4,988.77

Your open Position will remain at the historical purchase price of 0.92800. This way you can keep track of your original purchase price at all times

Your account is marked to market at the closing price which will change your account balance

Unrealised Loss:(0.92780 – 0.93500) x 300,000 = USD 2,160

This amount will be booked in your AUD base currency at the rate of 0.93500 = AUD 2,310.16

New Equity:

AUD 4,988.77 – AUD 2,310.16 = AUD 2,678.61

Total Equity

AUD 2,678.61

Your Margin Requirement remains at AUD 3,000

AUD 300,000 x 1% = AUD 3,000

Margin Requirement

AUD 3,000

Your Free Equity is Total Equity less your Margin Requirement

AUD 2,678.61 – AUD 3,000 = AUD -321.39

Free Equity

AUD -321.39

As your Free Equity has fallen into a debit balance, you would now be on a Margin Call

N/A

Margin Call

AUD 321.39

In this example, the AUDUSD had moved against you and your Total Equity balance fell below your Margin Requirement, your account will be placed on Margin Call. When your account moves into deficit you have two options. You can either reduce your Position in order to reduce your Margin Requirement or deposit additional funds into your account in order to increase the equity amount and satisfy the Margin Call. When you are in Margin Call you are not allowed to open any new Positions. Further Margin Calls will be made if the AUDUSD keeps going up during the day. Please see the following example.

Example of Going Short and going into further Margin Call on Margin Foreign Exchange

At 10 a.m. AUDUSD rallies to 0.93800/82

Calculation

Account Display

Your account is marked to market at the current market price which will change your account balance

Unrealised Loss:(0.92780 – 0.93800) x 300,000 = USD3,060

This amount will be booked in your AUD base currency at the rate of 0.93800 = AUD 3,262.26

New Equity:

AUD 4,988.77 – AUD 3,262.26 = AUD 1,726.51

Total Equity

AUD 1,726.51

Your Margin Requirement remains at AUD 3,000

AUD 300,000 x 1% = AUD 3,000

Margin Requirement

AUD 3,000

Free Equity is your Total Equity less Margin Requirement

AUD 1,726.51 – AUD 3,000.00 = AUD -1,273.49

Free Equity

AUD -1,273.49

As your Free Equity has fallen further, you would now be on a second Margin Call

Second Margin Call

AUD 1,273.49

As you have not responded to the first Margin Call and your account debit has fallen further you will be sent a Second Margin Call. You need to do one of the following:

either depositing additional funds in to your account; or

closing or reducing one or more or part of your open Position(s)

If you choose to deposit additional funds into your account, these funds must be Cleared Fund before they will be treated as having satisfying your Margin Call requirements.

Alternatively, you may wish to consider whether to place a Stop Loss order to try to avoid a deficit balance on your account.

2.5 – Example of going long on Bullion CFD (gold)

Example of Going Long and making a profit on Gold

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of spot Gold is going to appreciate against the US Dollar (USD) which is currently at 982.80/3.30. You decide to buy 100 OZ of Gold (1 contract) at the current price.

DAY ONE

Opening a Position

Calculation

Account Display

The price of spot Gold is 982.80 (bid price)/983.30 (offer price)

Contract Value:100 OZ x 983.30 = USD 98,330

Opening Balance

AUD 20,000

You buy 100 OZ (1 contract) at the exchange rate of 983.30

You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Your Margin Requirement for this trade is 1% of the amount traded

100 OZ x 983.30 x 1% = USD 983.30This amount will be booked in your base currency, which is AUD at 0.9280 = AUD 1,059.60

Initial Margin Requirement

AUD 1,059.60

Your Free Equity is Total Equity less your Margin Requirement

20,000 – 1,059.60 = 18940.40

Free Equity

AUD 18,940.40

You decide to hold the Position overnight. The closing price of spot Gold for the day was 983.30, the same as your purchase price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the Interbank Market, which fluctuates daily and represents the difference between the interest differential of Gold and USD involved. The Rollover Rate is variable according to currency pairs and calculated as set out at Section 13.6 of our Client Agreement.

DAY TWO

The Next Day

Calculation

Account Display

Your account will be charged with USD8.10 for being long spot Gold

Daily Rollover ChargeUSD 8.10

This amount will be booked in your base currency, which is AUD at 0.9280 = AUD 8.80

Total Equity will be

$20,000 – 8.8 = $19,991.20

Balance

AUD 19,991.20

Your open Position will remain at the historical purchase price of 983.30. This way you can keep track of your original purchase price at all times

Let say, at 11:30 a.m., spot gold has moved up to 990.00. Your Position is marked to market which will change your account balance

Unrealised Profit (990.00 – 983.30) x 100 OZ = USD 670.00

This amount will be booked in your AUD base currency at the rate of 0.9330 = AUD 718.11

New Equity Balance

19,991.20 + 718.11 = 20,709.31

Total Equity

AUD 20,709.31

Your Margin Requirement

100 OZ x $990.00 x 1% = USD 990 = AUD 1,061.09

Initial Margin Requirement

AUD 1,061.09

Your Free Equity is Total Equity less your Margin Requirement

AUD 20,709.31 – 1,061.09 = $19,648.22

Free Equity

AUD 19,648.22

At 4 p.m. you decided to close your Position as spot Gold has appreciated to 995.00/60

Closing the Position

Calculation

Account Display

You sell 100 OZ at bid price of 995.00 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for Margin Commodity Trading

Contract Value:100 OZ x 995.00 = USD 99,500

Realised Profit

(995.00 – 983.30) x 100 = USD 1,170.00 (AUD 1,254.02) New Balance

19,991.20 + 1,254.02 = AUD 21,245.22

Balance

AUD 21,245.22

Initial Margin Requirement will be zero because you have closed your Position

Margin Requirement

AUD 0.00

Free Equity is your Total Equity less Margin Requirement

In this example, you were correct in predicting spot Gold will appreciate against the USD. After commission and daily Rollover Charge for one day you would have made AUD 1,245.82 profit. However, if your prediction was wrong and the price had moved in the opposite direction by an equal amount, your loss would have been AUD 1,237.06. Please see the example below for how this loss is calculated.

Example of Going Long and making a loss on Gold

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of spot Gold is going to appreciate against the US Dollar (USD) which is currently at 982.80/3.30. You decide to buy 100 OZ of Gold (1 contract) at the current price.

DAY ONE

Opening a Position

Calculation

Account Display

The price of spot Gold is 982.80 (bid price)/983.30 (offer price)

Contract Value:100 OZ x 983.30 = USD 98,330

Opening Balance

AUD 20,000

You buy 100 OZ (1 contract) at the exchange rate of 983.30

You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Your Margin Requirement for this trade is 1% of the amount traded

100 OZ x 983.30 x 1% = USD 983.30. This amount will be booked in your base currency, which is AUD at 0.9280 = AUD 1,059.60

Initial Margin Requirement

AUD 1,059.60

Your Free Equity is Total Equity less your Margin Requirement

20,000 – 1,059.60 = 19,000

Free Equity

AUD 18,940.40

You decide to hold the Position overnight. The closing price of spot Gold for the day was 983.30, the same as your purchase price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the Interbank Market, which fluctuates daily and represents the difference between the interest differential of Gold and USD involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

Calculation

Account Display

Your account will be charged with USD8.10 for being Long spot Gold

Daily Rollover Charge USD 8.10

This amount will be booked in your base currency, which is AUD at 0.9280 = AUD 8.80

Total Equity will be

$20,000 – 8.8 = $19,991.20

Balance

AUD 19,991.20

Your open Position will remain at the historical purchase price of 983.30. This way you can keep track of your original purchase price at all times

Let say, at 11:30 a.m., spot gold has weakened to 977.00. Your Position is marked to market which will change your account balance

Unrealised Loss (977.00 – 983.30) x 100 OZ = USD 630.00

This amount will be booked in your AUD base currency at the rate of 0.9200 = AUD 684.78

New Equity Balance

19,991.20 – 684.78 = 19,306.42

Total Equity

AUD 19,306.42

Your Margin Requirement

100 OZ x $977.00 x 1% = USD 977 = AUD 1,061.96

Initial Margin Requirement

AUD 1,061.96

Your Free Equity is Total Equity less your Margin Requirement

AUD 19,306.42 – 1,061.96 = AUD 18,244.46

Free Equity

AUD 18,244.46

At 4 p.m. you decided to close your Position as your prediction was wrong spot Gold has fallen further to 970.00/60

Closing the Position

Calculation

Account Display

You sell 100 OZ at bid price of 977.00/06 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Contract Value:100 OZ x 972 = USD97,200

Realised Loss

(972 – 983.30) x 100000 = USD 1,130 (AUD 1,228.26) New Balance

$19,991.20 – 1,228.26 = $18,762.94

Balance

AUD 18,762.94

Initial Margin Requirement will be zero because you have closed your Position

Margin Requirement

AUD 0.00

Free Equity is your Total Equity less Margin Requirement

In this example, you were wrong in predicting spot Gold will appreciate against the USD. After commission and daily Rollover Charge for one day you would have made AUD 1,237.06 loss.

2.6 – Example of going short on Bullion CFD (gold)

Example of Going Short and making a profit on Gold

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of spot Gold is going to depreciate against the US Dollar (USD) which is currently at 982.70/3.30. You decide to sell 100 OZ of Gold (1 contract) at the current price.

DAY ONE

Opening a Position

Calculation

Account Display

The price of spot Gold is 982.80 (bid price)/983.30 (offer price)

Contract Value:100 OZ x 982.70 = USD 98,270

Opening Balance

AUD 20,000

You sell 100 OZ (1 contract) at the exchange rate of 982.70

You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Your Margin Requirement for this trade is 1% of the amount traded

100 OZ x 982.70 x 1% = USD 982.70. This amount will be booked in your base currency, which is AUD at 0.9280 = AUD 1,058.94

Initial Margin Requirement

AUD 1,058.94

Your Free Equity is Total Equity less your Margin Requirement

$20,000 – 1,058.94 = $18,941.06

Free Equity

AUD 18,941.06

You decide to hold the Position overnight. The closing price of spot Gold for the day was 982.70, the same as your purchase price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the interbank market, which fluctuates daily and represents the difference between the interest differential of Gold and USD involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

Calculation

Account Display

Your account will be credited with USD 7.20 for being short spot Gold

Daily Rollover Charge USD 7.20

This amount will be booked in your base currency, which is AUD at 0.9280 = AUD 7.80

Total Equity will be

$20,000 + 7.8 = $20,007.80

Balance

AUD 20,007.80

Your open Position will remain at the historical purchase price of 982.70. This way you can keep track of your original purchase price at all times

Let say, at 11:30 a.m., spot gold has moved down to 976.00. Your Position is marked to market which will change your account balance

Unrealised Profit (976.00 – 982.70) x 100 OZ = USD 670.00

This amount will be booked in your AUD base currency at the rate of 0.9200 = AUD 728.26

New Equity Balance

20,007.80 + 728.26 = 20,736.06

Total Equity

AUD 20,736.06

Your Margin Requirement

100 OZ x $976.00 x 1% = USD 976 = AUD 1,060.87

Initial Margin Requirement

AUD 1,060.87

Your Free Equity is Total Equity less your Margin Requirement

AUD 20,736.06 – 1,060.87 = $19,675.19

Free Equity

AUD 19,675.19

At 4 p.m. you decided to close your Position as spot Gold has depreciated to 970.80/40

Closing the Position

Calculation

Account Display

You buy 100 OZ at offer price of 971.40 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Contract Value:100 OZ x 971.40 = USD 97,140

Realised Profit

(971.40 – 982.70) x 100 = USD 1,130 (AUD 1,228.26) New Balance

20,007.80 + 1,228.26 = AUD 21,236.06

Total Equity

AUD 21,236.06

Initial Margin Requirement will be zero because you have closed your Position

Margin Requirement

AUD 0.00

Free Equity is your Total Equity less Margin Requirement

In this example, you were correct in predicting spot Gold will depreciate against the USD. After commission and daily Rollover Charge for one day you would have made AUD 1,236.06 profit. However, if your prediction was wrong and the price had moved in the opposite direction by an equal amount, your loss would have been AUD 1,220.46. Please see the example below for how this loss is calculated.

Example of Going Short and making a loss on Gold

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of spot Gold is going to depreciate against the US Dollar (USD) which is currently at 982.70/3.30. You decide to sell 100 OZ of Gold (1 contract) at the current price.

DAY ONE

Opening a Position

Calculation

Account Display

The price of spot Gold is 982.70 (bid price)/983.30 (offer price)

Contract Value:100 OZ x 982.70 = USD 98,270

Opening Balance

AUD 20,000

You sell 100 OZ (1 contract) at the exchange rate of 982.70

You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Your Margin Requirement for this trade is 1% of the amount traded

100 OZ x 982.70 x 1% = USD 982.70. This amount will be booked in your base currency, which is AUD at 0.9280 = AUD 11058.94

Initial Margin Requirement

AUD 1,058.94

Your Free Equity is Total Equity less your Margin Requirement

$20,000 – 1,058.94 = AUD 18,941.06

Free Equity

AUD 18,941.06

You decide to hold the Position overnight. The closing price of spot Gold for the day was 982.70, the same as your purchase price. Because you have decided to hold your Position overnight you will incur a daily Rollover Charge, which is calculated according to the overnight swap rate in the interbank market,

which fluctuates daily and represents the difference between the interest differential of Gold and USD involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

Calculation

Account Display

Your account will be credited with USD 7.20 for being Short spot Gold

Daily Rollover Charge USD 7.20

This amount will be booked in your base currency, which is AUD at 0.9280 = AUD 7.80

Total Equity will be

$20,000 + 7.80 = $20,007.80

Balance

AUD 20,007.80

Your open Position will remain at the historical purchase price of 983.30. This way you can keep track of your original purchase price at all times

Let say, at 11:30 a.m., spot gold has moved up to 989.40. Your Position is marked to market which will change your account balance

Unrealised Loss (989.40 – 982.70) x 100 OZ = USD 670.00

This amount will be booked in your AUD base currency at the rate of 0.9200 = AUD 728.26

New Equity Balance

$20,007.78 – 728.26 =19,279.54

Total Equity

AUD 19,279.54

Your Margin Requirement

100 OZ x $989.40 x 1% = USD 989.40 = AUD 1,075.43

Initial Margin Requirement

AUD 1,075.43

Your Free Equity is Total Equity less your Margin Requirement

AUD 19,279.54 – 1,075.43 = AUD 18,204.11

Free Equity

AUD 18,204.11

At 4 p.m. you decided to close your Position as your prediction was wrong spot Gold has risen further to 993.40/4.00

Closing the Position

Calculation

Account Display

You buy 100 OZ at offer price of 994.00 to close your Position. You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Contract Value:100 OZ x 994 = USD 99,400

Realised Loss

(994 – 982.70) x 100000 = USD 1,130 (AUD 1,228.26) New Balance

$20,007.80 – 1,228.26 = $18,779.54

Balance

AUD 18,779.54>

Initial Margin Requirement will be zero because you have closed your Position

Margin Requirement

AUD 0.00

Free Equity is your Total Equity less Margin Requirement

In this example, you were wrong in predicting spot Gold will depreciate against the USD. After commission and daily Rollover Charge for one day you would have made AUD 1,220.46 loss.

2.7 – Example of going long on Bullion CFD (gold) and going into Margin Call

Example of Going Short and making a profit on Gold

You opened an account with CMG Australia and your account has an opening balance of AUD 20,000 and you believe that the price of spot Gold is going to appreciate against the US Dollar (USD) which is currently at 982.80/3.30. You decide to buy 1,000 OZ of Gold (10 contract) at the current price.

DAY ONE

Opening a Position

Calculation

Account Display

The price of spot Gold is 982.70 (bid price)/983.30 (offer price)

Contract Value: 1,000 OZ x 983.30 = USD 983,300

Opening Balance

AUD 20,000

You buy 1,000 OZ (10 contract) at the exchange rate of 983.30

You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Your Margin Requirement for this trade is 1% of the amount traded

1,000 OZ x 983.30 x 1% = USD 9,833. This amount will be booked in your base currency, which is AUD at 0.9280 = AUD 10,595.91

Initial Margin Requirement

AUD 10,595.91

Your Free Equity is Total Equity less your Margin Requirement

20,000 – 10,595.90 = $9,404.09

Free Equity

AUD 9,404.09

You decide to hold the Position overnight. The closing price of spot Gold for the day was lower at 973.80, due to a better than expected US employment figure. Because you have decided to hold your Position overnight you will incur a Daily Rollover Charge, which is calculated according to the overnight swap rate in the Interbank Market, which fluctuates daily and represents the difference between the interest differential of Gold and USD involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

Calculation

Account Display

Your account will be charged with USD 81.00 for being Long spot Gold

Daily rollover charge USD 81.00

This amount will be booked in your base currency, which is AUD at 0.9280 = AUD 87.28

Total Equity will be

AUD 20,000.00 – 87.28 = AUD 19,912.72

Balance

AUD 19,912.72

Your open Position will remain at the historical purchase price of 983.30. This way you can keep track of your original purchase price at all times

Your Position is marked to market which will change your account balance

Unrealised Loss (973.80 – 983.30) x 1,000 OZ = USD 9,500

This amount will be booked in your AUD base currency at the rate of 0.9230 = AUD 10,292.52

New Equity Balance

AUD 19,912.72 – 10,292.52 = AUD 9,620.20

Total Equity

AUD 9,620.20

Your Margin Requirement for this trade is 1% of the amount traded

1,000 OZ x $973.80 x 1% = USD 9,738 = AUD 10,550.38

Initial Margin Requirement

AUD 10,550.38

Your Free Equity is Total Equity less your Margin Requirement

AUD 9,620.20 – 10,550.38 = AUD -930.18

Free Equity

AUD -930.18

As your Free Equity has fallen into a deficit, you would now be on a Margin Call

Margin Call

AUD 930.18

In this example, the price of spot Gold had moved against you and your Total Equity Balance fell below your Margin Requirement, your account will be placed on Margin Call. When your account moves into deficit you have two options. You can either reduce your Position in order to reduce your Margin Requirement or deposit additional funds into your account in order to increase the equity amount and satisfy the Margin Call. When you are in Margin Call you are not allowed to open any new Positions. Further Margin Calls will be made if spot Gold keeps falling during the day. Please see the following example.

Example of Going Long and going into further Margin Call on Gold

At 10 a.m. spot Gold falls to 973.00/60

Calculation

Account Display

Your account is marked to market at the current market price which will change your account balance

Unrealised Loss:(973.00 – 983.30) x 1,000 = USD 10,300

This amount will be booked in your AUD base currency at the rate of 0.9180 = AUD 11,220.04

New Equity:

AUD 19,912.72 – 11,220.04 = AUD 8,692.68

Total Equity

AUD 8,692.68

Your Margin Requirement for this trade is 1% of the amount traded

1,000 x 973.00 x 1% = USD 9,730 = AUD 10,599.13

Margin Requirement

AUD 10,599.13

Free Equity is your Total Equity less Margin Requirement

AUD 8,692.68 – $10,599.13 = AUD -1,906.45

Free Equity

AUD -1,906.45

As your Free Equity has fallen further, you would now be on a second Margin Call

Second Margin Call

AUD 1,906.45

As you have not responded to the first Margin Call and your account debit has fallen further you will be sent a second Margin Call. You need to do one of the following:

either depositing additional funds in to your account; or close or reduce one or more or part of your open Position(s)

If you choose to deposit additional funds into your account, these funds must be Cleared Funds before they will be treated as having satisfying your Margin Call requirements.

Alternatively, you may wish to consider whether to place a Stop Loss Order to try to avoid a deficit balance on your account.

2.8 – Example of going short on Bullion CFD (gold) and going into Margin Call

Example of Going Short and going into Margin Call on Gold

You opened an account with CMG Australia and your account has an opening balance of AUD20,000 and you believe that the price of spot Gold is going to depreciate against the US Dollar (USD) which is currently at 982.70/3.30. You decide to sell 1,000 OZ of Gold (10 contract) at the current price.

DAY ONE

Opening a Position

Calculation

Account Display

The price of spot Gold is 982.70 (bid price)/983.30 (offer price)

Contract Value: 1,000 OZ x 982.70 = USD 982,700

Opening Balance

AUD 20,000

You sell 1,000 OZ (10 contract) at the exchange rate of 982.70

You pay no commission for this trade. CMG Australia charges no commission for trading Margin Commodity Contracts

Your Margin Requirement for this trade is 1% of the amount traded

1,000 OZ x 982.70 x 1% = USD 9,827. This amount will be booked in your base currency, which is AUD at 0.9280 = AUD10,589.44

Initial Margin Requirement

AUD 10,589.44

Your Free Equity is Total Equity less your Margin Requirement

AUD 20,000.00 – 10,589.44 = AUD 9,410.56

Free Equity

AUD 9,410.56

You decide to hold the Position overnight. The closing price of spot Gold for the day was higher at 992.20, due to a worse than expected US employment figure. Because you have decided to hold your Position overnight you will incur a Daily Rollover Charge, which is calculated according to the overnight swap rate in the Interbank Market, which fluctuates daily and represents the difference between the interest differential of Gold and USD involved. The Rollover Rate is variable according to currency pairs and calculated as set out in clause 13.6 of our Client Agreement.

DAY TWO

The Next Day

Calculation

Account Display

Your account will be credited with USD 72.00 for being Short spot Gold

Daily rollover charge USD 72.00

This amount will be booked in your base currency, which is AUD at 0.9280 = AUD 77.60

Total Equity will be

AUD 20,000.00 + 77.60 = AUD 20,077.60

Balance

AUD 20,077.60

Your open Position will remain at the historical purchase price of 982.70. This way you can keep track of your original purchase price at all times

Your Position is marked to market which will change your account balance

Unrealised Profit (992.20 – 982.70) x 1,000 OZ = USD 950.00

This amount will be booked in your AUD base currency at the rate of 0.9200 = AUD 10,326.09

New Equity Balance

AUD 20,077.60 – 10,326.09 = AUD 9,751.51

Total Equity

AUD 9,751.51

Your Margin Requirement

1,000 OZ x $992.20 x 1% = USD 9,922 = AUD 10,784.78

Initial Margin Requirement

AUD 10,784.78

Your Free Equity is Total Equity less your Margin Requirement

AUD 9,751.51 – 10,784.78 = AUD -1,033.27

Free Equity

AUD -1,033.27

As your Free Equity has fallen into a deficit, you would now be on a Margin Call

Margin Call

AUD 1,033.27

In this example, the price of spot Gold had moved against you and your Total Equity Balance fell below your Margin Requirement, your account will be placed on Margin Call. When your account moves into deficit you have two options. You can either reduce your Position in order to reduce your Margin Requirement or deposit additional funds into your account in order to increase the equity amount and satisfy the Margin Call. When you are in Margin Call you are not allowed to open any new Positions. Further Margin Calls will be made if spot Gold keeps falling during the day. Please refer to the following example.

Example of Going Short and going into further Margin Call on Gold

At 10 a.m. spot Gold moves higher to 992.40/3.00

Closing the Position

Calculation

Account Display

Your account is marked to market at the current market price which will change your account balance

Unrealised Loss:(993.00 – 982.70) x 1,000 = USD 10,300

This amount will be booked in your AUD base currency at the rate of 0.9330 = AUD 11,039.65

New Equity:

AUD 20,077.60 – 11,039.65 = AUD 8,960.34

Total Equity

AUD 8,960.34

Your Margin Requirement for this trade is 1% of the amount traded

1,000 x 993.00 x 1% = USD 9,930 = AUD 10,643.09

Margin Requirement

AUD 10,643.09

Free Equity is your Total Equity less Margin Requirement

AUD 8,960.34 – $10,643.09 = AUD -1,682.75

Free Equity

AUD -1,682.75

As your Free Equity has fallen further, you would now be on a second Margin Call

Second Margin Call

AUD 1,682.75

As you have not responded to the first Margin Call and your account debit has fallen further you will be sent a second Margin Call. You need to do one of the following:

either depositing additional funds in to your account; or

close or reduce one or more or part of your open Position(s)

If you choose to deposit additional funds into your account, these funds must be Cleared Funds before they will be treated as having satisfying your Margin Call requirements.

Alternatively, you may wish to consider whether to place a Stop Loss Order to try to avoid a deficit balance on your account.

2.9 – Example of going short on Index Futures CFD

Example of Going Short and making a profit on SPI 200 Index Futures CFDs

You opened an account with CMG Australia and your account has an opening balance of AUD 10,000

DAY ONE

Opening a Position

Calculation

Account Display

The price of SPI 200 Futures Index CFD is 3439 (bid price)/3441 (offer price)

Value of the Contract10 x 3439 = $34,390

Opening Equity

AUD 10,000

You sell 10 SPI 200 Futures Index CFDs at the offer price of 3439

You will pay no commission when you trade our Index Futures CFDs

Your Initial Margin Requirement for this trade is the number of CFDs multiplied by trade price multiplied by the margin rate.Your initial Margin Requirement to open this Position is $343.90

10 x 3439 x 1% = $343.90

Margin Requirement

$343.90

Free Equity is your Total Equity less your Margin Requirement

AUD 10,000.00 – 343.90 = AUD 9,655.90

Free Equity

$9,656.10

You decided to hold the Position overnight. The closing price for SPI 200 Futures Index CFD for the day was 3441, the same as your purchase price.

DAY TWO

The Next Day

Calculation

Account Display

Daily financing charges or benefits do not apply to Index Futures CFDs

Total Equity

AUD 10,000.00

Following a negative movement overseas the SPI 200 Futures Index opened lower at 2897/99

Unrealised Profit:(3439-2899) x 10 = $540.00

New Equity Balance:

AUD 10,000.00 + 540.00 = AUD 10,540.00

Total Equity

AUD 10,540.00

Your Position is marked to market at 2899.

Your open Position will remain at the historical purchase price of 3441. This way you can keep track of your original sell price at all times

Margin Requirement:10 x 2899 x 1% = $289.90

New Margin Requirement

AUD 289.90

Free Equity is your Total Equity less your Margin Requirement

AUD 10,540.00 – 289.90 = AUD 10,250.10

Free Equity

AUD 10,250.10

At 3:45 p.m. you decided to close your Position. The market is quoted at 2849

Closing the Position

Calculation

Account Display

You buy 10 SPI 200 Index Futures CFDs at 2849 market offer price

Value of the Contract 10 x2849 = $28,490.00

Total Equity

AUD 10,000.00

You will pay no commission when you trade Index Futures CFDs

Realised Profit

(3,439 – 2,849) x 10 = $590New Equity Balance:

AUD 10,000 + 590 = AUD 10,590.00

Total Equity

AUD 10,590.00

Free Equity is your Total Equity less your Margin Requirement

In this example, you were right in predicting the SPI 200 Index Futures will go up and you would have made AUD 590.00 profit. However, if your prediction was wrong and the price of the SPI 200 Index Futures moved in the opposite direction by an equal amount, your loss would have been AUD 590.00. Please see the example below for how this loss is calculated.

Example of Going Short and making a loss on SPI 200 Index futures CFDs

You opened an account with CMG Australia and your account has an opening balance of AUD 10,000

DAY ONE

Opening a Position

Calculation

Account Display

The price the SPI 200 Index Futures CFD is 3439 (bid price)/3441 (offer price)

Value of the Contract10 x 3439 = $34,390

Opening Balance

AUD 10,000

You sell 10 SPI 200 Index Futures CFDs at the offer price of 3441.

You will pay no commission when you trade our Index Futures CFDs

Your Initial Margin Requirement for this trade is the number of CFDs multiplied by trade price multiplied by the Margin rate. Your initial Margin Requirement to open this Position is $343.90

10 x 3439 x 1% = $343.90

Margin Requirement

AUD 343.90

Free Equity is your Total Equity less your Margin Requirement

AUD 10,000.00 – 343.90 = AUD 9,655.90

Free Equity

AUD 9,656.10

You decided to hold the Position overnight. The closing price for the SPI 200 Index Futures CFD for the day was 3441

DAY TWO

The Next Day

Calculation

Account Display

Daily financing charges or benefits do not apply to Futures CFDs

Total Equity

AUD 10,000.00

Following a positive movement overseas the SPI 200 Futures Index opened higher at 3977/79

Unrealised Profit:(2439 – 3799) x 10 = -$540.00

New Equity Balance:

AUD 10,000.00 – 540 = AUD 9,460.00

Total Equity

AUD 9,460.00

Your Position is marked to market at 3979.

Your open Position will remain at the historical purchase price of 3439. This way you can keep track of your original purchase price at all times.

Margin Requirement:10 x 3979 x 1% = $397.90

New Margin Requirement

AUD 397.90

Free Equity is your Total Equity less your Margin Requirement

AUD 9,460.00 – 397.90 = AUD 9,062.10

Free Equity

AUD 9,061.10

At 3:45 p.m. you decided to close your Position. The market is quoted at 3382/84.

Closing the Position

Calculation

Account Display

You BUY 10 AUS Index Futures CFDs at 4029 market offer price

Contract Value:10 x 4029 = $33,820

Total Equity

AUD 19,898.60

You will pay no commission when you trade our Index Futures CFDs

Realised Loss

(3439 – 4029) x 10 =-$590.00New Equity Balance:

AUD 10,000 – 590.00 = AUD 9,410.00

Total Equity

AUD 9,410.00

Initial Margin Requirement Will be zero because you have closed your Position

Margin Requirement

AUD 0.00

Free Equity is your Total Equity less your Margin Requirement

AUD 9,410.00 – 0.00 = AUD 9,410.00

Free Equity

AUD 9,410.00

In this example, you were wrong in predicting the SPI 200 Index Futures will go up and you would have made a AUD 590.00 loss.

2.10 – Example of going long on Margin FX Contracts

Example of Going Long and making a profit on Margin FX Contracts

You opened an account with CMG Australia and your account has an opening balance of AUD 10,000

DAY ONE

Opening a Position

Calculation

Account Display

The price of SPI 200 Futures Index CFD is 3439 (bid price)/3441 (offer price)

Value of the Contract10 x 3441 = $34,410

Opening Equity

AUD 10,000

You buy 10 SPI 200 Futures Index CFDs at the offer price of 3441.

You will pay no commission when you trade Index Futures CFDs

Your Initial Margin Requirement for this trade is the number of CFDs multiplied by trade price multiplied by the margin rate. Your initial Margin Requirement to open this Position is $344.10

10 x 3441 x 1% = $344.10

Margin Requirement

AUD 344.10

Free Equity is your Total Equity less your Margin Requirement

AUD 10,000.00 – 344.10 = AUD 9,655.90

Free Equity

AUD 9,655.90

You decided to hold the Position overnight. The closing price for SPI 200 Futures Index CFD for the day was 3441, the same as your purchase price.

DAY TWO

The Next Day

Calculation

Account Display

Daily financing charges or benefits do not apply to Index Futures CFDs

Total Equity

AUD 10,000.00

Following a Position movement overseas the SPI 200 Futures Index opened higher at 3495/97

Unrealised Profit:(3495-3441) x 10 = $540.00

New Equity Balance:

AUD 10,000.00 + 540.00 = AUD 10,540.00

Total Equity

AUD 10,540.00

Your Position is marked to market at 3495.

Your open Position will remain at the historical purchase price of 3441. This way you can keep track of your original purchase price at all times.

Margin Requirement:10 x 3495 x 1% = $349.50

New Margin Requirement

AUD 349.50

Free Equity is your Total Equity less your Margin Requirement

AUD 10,540.00 – 349.50 = AUD 10,190.50

Free Equity

AUD 10,190.50

At 3:45 p.m. you decided to close your Position. The market is quoted at 3500

Closing the Position

Calculation

Account Display

You sell 10 SPI 200 Index Futures CFDs at 3500 market bid price

Value of the Contract10 x 3500 = AUD 35,000

Total Equity

AUD 8,819.50

You will pay no commission when you trade Index Futures CFDs

Realised Profit

(3,500 – 3,441) x 10 = AUD 590New Equity Balance:

AUD 10,000.00 + 590.00 = AUD 10,590.00

Total Equity

AUD 10,590.00

Free Equity is your Total Equity less your Margin Requirement

In this example, you were right in predicting the SPI 200 Index Futures will go up and you would have made AUD 590.00 profit. However, if your prediction was wrong and the price of the SPI 200 Index Futures moved in the opposite direction by an equal amount, your loss would have been AUD 590.00. Please see the example below for how this loss is calculated.

Example of Going Long and making a profit on Margin FX Contracts

You opened an account with CMG Australia and your account has an opening balance of AUD 10,000

DAY ONE

Opening a Position

Calculation

Account Display

The price the SPI 200 Index Futures CFD is 3439 (bid price)/3441 (offer price)

Contract Value:10 x 3441 = AUD 34,410.00

Opening Equity

AUD 10,000

You buy 10 SPI 200 Index Futures CFDs at the offer price of 3441.

You will pay no commission when you trade our Index Futures CFDs

Your Initial Margin Requirement for this trade is the number of CFDs multiplied by trade price multiplied by the margin rate. Your initial Margin Requirement to open this Position is $344.10

10 x 3441 x 1% = AUD 344.10

Margin Requirement

AUD 344.10

Free Equity is your Total Equity less your Margin Requirement

AUD 10,000.00 – 344.10 = AUD 9,655.90

Free Equity

AUD 9,655.90

You decided to hold the Position overnight. The closing price for the SPI 200 Index Futures CFD for the day was 3441, the same as your purchase price.

DAY TWO

The Next Day

Calculation

Account Display

Daily financing charges or benefits do not apply to Index Futures CFDs

Total Equity

AUD 10,000.00

Following a negative movement overseas the SPI 200 Futures Index opened lower at 3387/89

Unrealised Profit:(3387- 3441) x 10 = -540.00

New Equity Balance:

AUD 10,000.00 – 540 = AUD 9,460.00

Total Equity

AUD 9,460.00

Your Position is marked to market at 3495.

Your open Position will remain at the historical purchase price of 3441. This way you can keep track of your original purchase price at all times.

Margin Requirement:10 x 3387 x 1% = AUD 338.70

New Margin Requirement

AUD 338.70

Free Equity is your Total Equity less your Margin Requirement

AUD 9,460.00 – 338.70 = AUD 9,121.30

Free Equity

AUD 9,121.30

At 3:45 p.m. you decided to close your Position. The market is quoted at 3382/84

Closing the Position

Calculation

Account Display

You sell 10 AUS Index Futures CFDs at 3382 market bid price

Contract Value:10 x 3382 = $33,820

Total Equity

AUD 19,898.60

You will pay no commission when you trade our Index Futures CFDs

Realised Loss

(3382 – 3441) x 10 = AUD -590.00New Equity Balance:

AUD 10,000.00 – 590.00 = AUD 9,410.00

Total Equity

AUD 9,410.00

Initial Margin Requirement Will be zero because you have closed your Position

Margin Requirement

AUD 0.00

Free Equity is your Total Equity less your Margin Requirement

AUD 9,410.00 – 0.00 = AUD 9,410

Free Equity

AUD 9,410.00

In this example, you were wrong in predicting the SPI 200 Index Futures will go up and you would have made a AUD 590.00 loss.

IBR 3 – Online Trading Statements

3.1 – Delivery of confirmations and statements electronically

At any time you execute a transaction with us, a confirmation of the executed trade will appear in the Trading Platform. Daily and monthly statements will also be made available to you through the Trading Platform following their respective trading periods. You may print these daily and monthly statements for your records.

3.2 – Operating your Account through CMG Australia's Trading Platform

When using CMG Australia's Trading Platform your Positions may be viewed at any point in real-time, as well as all deals, orders, pending orders and available statements using the dealing platform. Under clause 6.8 of the Client Agreement you agree to use the Trading Platform to:

confirm all transactions entered into with us; and

monitor your obligations to us.

We may make available to you documents updating the PDS (including the Client Agreement), the CMG Australia Product Schedule and the FSG, including any supplementary, revised and new PDS and FSGs by either:

sending them to you by email or other electronic means;

posting them on our Website;

sending to you an electronic link to the relevant document by email or other electronic means; or

sending them as otherwise permitted by law.

3.3 – Daily statements

Following our end of day settlement time, provided you have dealt or have an open Position, we will cause to be produced electronically a daily statement which will be emailed to you and then made available on the Trading Platform. Daily Statements include details of:

your open Positions;

your new Positions;

the opening cash balance on your Account, together with details of Account movements such as deposits, withdrawals or settlements;

your closing Account balance for the day;

profits or losses made on Open Positions, that is, your Open Trade Equity;

the value of your Positions and movements on your Account in the currency in which your Account is denominated, indicating, where appropriate the consolidation rates used;

other items affecting your Account, such as Rollover Benefits or Rollover Charges applied to your Account;

profit or loss made on open Positions (open trade equity);

the liquidation value;

your Total Margin Requirement; and

your Margin excess or deficit.

3.4 – Monthly statements

Following month end, we will produce an electronic version of your trading statement which will be emailed to you and also be available on the Trading Platform. This will provide the same details as the daily statements, but cover all account movements and Positions opened for the month.

3.5 – Checking of confirmations

It is imperative that you check all the contents of the Confirmations of your trades and you contact us immediately if you disagree with any of their contents. The Confirmation will, in the absence of manifest error, otherwise be conclusive. Under clause 6.8 of the Client Agreement the time from which you must contact us begins from the time the Confirmation is posted on the Trading Platform, although we may also send the document to you electronically via email.

3.6 – Checking of statements

It is imperative that you check all the contents of the daily statements and monthly statements in detail and contact us within 3 Business Days if you disagree with any of the content of a daily or monthly report. These documents will, in the absence of manifest error, be conclusive unless you notify us in writing to the contrary within 3 Business Days of receiving them. Under clause 6.8 of the Client Agreement the 3 Business Days begins from the time the document is posted on the Trading Platform, although we may also send the document to you electronically via email.

The summary of your financial Position will provide you with your Margin Position, and indicate to you whether you are approaching your minimum Total Equity balance. It will also indicate the excess funds available, if any, that you may either use to open new Margin FX Contracts or CFD Positions or withdraw. It is very important that you remain aware of your daily Total Equity balance, your Total Margin Requirement for your open Position(s), and any Free Equity available.

3.7 – Errors in Pricing

It is possible that errors, omission or misquotes (Material Error) may occur in the pricing of Margin FX Contracts or CFDs quoted by us, which by fault of either of us or any third party, is materially incorrect when taking into account market conditions or quotes in Underlying Instruments which were provided at the time. A Material Error may include an incorrect price, date, time or Margin FX Contract or CFD, or any error or lack of clarity of any information or source or pronouncement. Furthermore, there may be circumstances where we reasonably believe that you have manipulated our prices, execution process on our Trading Platform.

In these circumstances, we may take action including voiding the Margin FX Contract or CFD from the outset. You are referred to clauses 9.10 and 9.11 of the Client Agreement for the Client Agreement for a full description of events and the actions we may take.