



Contracts for Difference (CFD)

Product Disclosure Statement

CTRL Investments Ltd

DECEMBER 2019

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If you apply to withdraw funds from your Trading Account and we accept your withdrawal request, we may charge you a withdrawal fee of 50 AUD where:	19
▪ there is insignificant trading activity (that is, only one single position was opened on the Trading Account) or no trading activity (that is, no positions were opened on the Trading Account); or.....	19
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1. Important information

1.1 About this PDS

CTRL Investments Ltd ARBN 152 535 085, AFSL 414198 has prepared this product disclosure statement (**PDS**) which is dated 01/12/2019. CTRL Investments Ltd operates under the registered Australia business name, HFTrading ('**HFTrading**', '**we**', '**us**', '**our**').

This PDS is issued in connection with the contracts for difference (**CFDs**) offered by HFTrading. It provides important information about the CFDs we offer and should be read in conjunction with our terms and conditions (**Terms of Use**). Both the PDS and Terms of Use govern our relationship with you.

Capitalised terms are defined in the Glossary in **Section 13** of this PDS.

1.2 Warning

CFDs are complex financial products and come with a high risk of losing money. Most retail clients lose money trading CFDs. You should consider whether you can afford to take the high risk of losing your money.

You should read the PDS and Terms of Use in full before making any decision to trade with us.

You should not invest in CFDs unless you are an experienced investor who understands and is comfortable with the risks of investing in CFDs.

1.3 HFTrading does not give personal advice

HFTrading will not give you personal financial product advice. This means that any advice we may give to you does not take into account your objectives, financial situation and needs.

This PDS does not constitute a recommendation or opinion that CFDs are appropriate for you. The information provided in this PDS is general information only and does not take into account your personal circumstances.

The information in this PDS is designed to help you understand the risks associated with the CFDs we offer and assess their potential benefits. You should obtain your own financial, legal, taxation and other professional advice as to whether CFDs are an appropriate investment for you. You should consider your personal circumstances, and the significant risks which accompany the prospect of profit associated with CFDs before investing.

1.4 Residents outside Australia

This PDS is intended for Australian residents only. If at the time of opening a Trading Account you were a resident of Australia, but at a future date you cease to be a resident of Australia, then you should inform us immediately.



1.5 Changes to this PDS

The information in this PDS is up to date at the time it was prepared but is subject to change at any time. Where information is not materially adverse to you, we may update the information by posting a notice on our website. We may also issue either a new PDS or a supplementary PDS. A copy of the PDS (including any supplementary disclosures) and our Terms of Use can be downloaded from our website, or you can contact us directly to request a paper copy which we will provide to you free of charge.

1.6 Contact information

We are registered in New Zealand as a private company limited by shares and is registered in Australia as a registered foreign company. You can contact us using the information below:

Accessing our website: www.hftrading.com.au

By email (Customer Service Team): support@hftrading.com

By telephone (Customer Service Team): +61 2 8046 6470

For more information about HFTrading and the CFDs we offer, please visit our website.

2. Benchmark disclosures

The Australia Securities and Investments Commission (**ASIC**) has developed seven disclosure benchmarks for CFDs that can help retail clients understand the risks associated with CFDs, assess their potential benefits and decide whether investing in CFDs is suitable for them.

More information about the disclosure benchmarks can be found in ASIC Regulatory Guide 227. The table below outlines how HFTrading complies with the disclosure benchmarks on an 'if not, why not' basis.

Disclosure benchmark	Meet benchmark?	Explanation
1. Client Qualification	Yes	All persons who apply to open a Trading Account with HFTrading must complete the client qualification process. This includes a knowledge and experience questionnaire and a financial capacity assessment. Further information can be found in Section 4 of this PDS.
2. Opening Collateral	No	HFTrading does not meet this benchmark because we accept credit card payments as opening collateral for Trading Accounts, and we do not place limits on credit card payments.

		Further information about depositing funds can be found in Sections 7.2 and 6 of this PDS.
3. Counterparty Risk – Hedging	Yes	<p>HFTrading hedges each and every position by entering into a back-to-back position with CTRL Capital Ltd (CTRL Capital). CTRL Capital is a related entity of HFTrading.</p> <p>We have a Hedging Policy in place which governs our hedging arrangements and includes a periodic assessment of the financial position of CTRL Capital.</p> <p>Our Hedging Policy is also available on our website.</p>
4. Counterparty Risk – Financial Resources	Yes	<p>HFTrading maintains policies to ensure that we meet our financial resource requirements as an Australian financial services licensee.</p> <p>HFTrading's latest audited financial statements are available to investors upon request (free of charge). You may request a copy by emailing our Customer Support Team.</p>
5. Client Money	Yes	<p>HFTrading has a client money policy which stipulates that we will not use your funds in our Client Money Account to meet our obligations, or the obligations of other clients in connection with margining, guaranteeing, securing, transferring or settling trades.</p> <p>Further information can be found in Section 9.1 of this PDS.</p>
6. Suspended or halted underlying assets	Yes	<p>HFTrading does not allow trading in positions where there is a trading suspension or halt in the underlying instrument in accordance with the market rules of the relevant exchange.</p>
7. Margin Calls	Yes	<p>HFTrading maintains a written policy in relation to our Margin Call practices and discretions. This policy is contained within our Terms of Use which is available on our website.</p> <p>Further information can be found in Section 9.2 of this PDS.</p>

3. What is a CFD?

A CFD is an over-the-counter derivative, which is a contract between you and HFTrading which allows you to make a profit or loss by reference to the fluctuations in the value of an underlying instrument such as a share, index, option, currency or futures contract. You do not own or have any rights to the underlying instrument.

Leverage is a key feature of CFD trading. CFDs allow you to trade on rises and falls in the underlying instruments while only putting up a small amount of your own money. CFD trading allows you to take leveraged Long 'buy' or Short 'sell' positions on underlying instruments.

The CFDs we offer are accessible through our online Trading Platform which has a range of features you can use to customise your trading.

To open a position, you only have to put in a percentage of the value of the underlying instrument. The amount that you are asked to put in is referred to as margin and varies for different underlying instruments. HFTrading may require you to make additional margin payments to contribute towards your future obligations under a CFD.

4. Key product features

Key features	Explanation
Client qualification	<p>Applicants for a Trading Account must qualify through a set of assessment criteria which is in the form of a Questionnaire, and includes an assessment of your financial capacity, knowledge and experience in trading in financial products, including derivatives. The Questionnaire is required to be completed as part of the account opening process.</p> <p>An Account may be opened for applicants who pass the Questionnaire. An Account will not be opened for those applicants who do not pass the Questionnaire. We will notify both successful and unsuccessful applicants. Applicants who do not pass the Questionnaire will be given the opportunity to open a demo account in order to gain a better understanding of the financial product.</p> <p>If you are unsure about how CFDs work, we strongly recommend that you apply for a demo trading account and trial our Trading Platform prior to opening a live Trading Account.</p> <p>Our demo accounts mirror our live Trading Platform and provide you with a virtual balance to trade with. This enables you to become familiar with the Trading Platform and decide whether or not CFDs are suitable for you.</p>
Types of CFDs	<p>HFTrading offers CFDs on shares, ETF, indices, commodities, foreign exchange and cryptocurrencies, and such other CFDs as may be notified to you from time to time. You can find the latest contract specifications for each type of CFD on our website.</p> <p>Further details can be found in Section 10 of this PDS.</p>
Pricing / Quotes	<p>The prices we quote to you are the same prices which CTRL Capital (our hedge counterparty) quotes to us.</p> <p>CTRL Capital, in turn, receives its prices from its own external liquidity providers which are commonly global banks and financial institutions.</p>

<p>Minimum Account balance</p>	<p>To activate your Trading Account, you must deposit at least AUD250. Once your Trading Account is open, there is no ongoing minimum account balance required. However, if you enter into an CFD you must ensure that the amount in your Trading Account is sufficient to meet payments when due.</p>
<p>Margin</p>	<p>When you enter into a trade that will create either a new position or increase an existing position you need to have sufficient Account Equity to cover the Margin required for any open positions. If you do not maintain the Margin Requirement you are at risk of your open positions being closed out by us through Margin Close Outs.</p>
<p>What is your Account Equity?</p>	<p>Your Account Equity will be updated in real time on the Trading Platform. It includes your Cash balance and any unrealised profits or losses from open positions. Your Account Equity is used to assess whether your Trading Account is sufficiently funded to cover the Margin Requirement for your open positions and must exceed the Margin Requirement at all times.</p>
<p>What is your Cash balance?</p>	<p>The Cash balance of your Trading Account at any given time is calculated as:</p> <p>The sum of cleared payments received from you, amounts credited by us and any realised profits from your closed positions</p> <p>Less</p> <p>The sum of any realised losses from your closed positions, deducted fees and accepted withdrawal payments which are yet to be processed. The Trading Account is not a bank account. It is simply a record of your positions and your cash balance. Any funds we hold for your benefit are held in our Client Money Account, which is a segregated account with a bank which records amounts we hold for our clients separate from our own funds.</p>
<p>What are your available funds?</p>	<p>Your available funds consist of your Account Equity that is in excess of any Margin Requirement for open positions.</p> <p>You may use your available funds to enter into other trades or make withdrawals. However, the funds available to withdraw may be less than the funds available for trading. This is because the funds available to withdraw must be in the form of Cash in your Trading Account and does not include any unrealised profits or losses. Unrealised amounts are, however, included to determine your available funds to trade (i.e. your Account Equity).</p>

<p>Base currency</p>	<p>The base currency on your Trading Account is Australian Dollars (AUD). If any of your CFD positions are denominated in a currency other than your base currency, we will convert the relevant amounts to the base currency using the current exchange rate.</p> <p>We calculate your Margin Requirement and any unrealised profit or loss in real time and by reference to your base currency using the current exchange rates.</p>
<p>Opening a CFD position</p>	<p>You can open a position through our Trading Platform.</p> <p>You can enter into either a long position (buying) or a short position (selling).</p> <p>Further details can be found in Section 7.2 of this PDS.</p>
<p>Closing a CFD position</p>	<p>Generally, positions will remain open until they are closed out by you. We may exercise our right to close out any of your open positions in certain circumstances.</p> <p>Further details on position closures can be found in Section 7.3 of this PDS.</p>
<p>Fees payable</p>	<p>The costs involved in opening a CFD position will vary depending on the contract traded.</p> <p>Further details on fees and costs can be found in Section 11 of this PDS.</p>
<p>Negative Balance Protection</p>	<p>Negative balance protection is a feature of the CFDs we offer. This means that at all times, your maximum potential loss would be limited to your Account Equity, unless we consider you are engaging in any form of abusive trading determined in our discretion.</p>
<p>Orders</p>	<p>The following types of Orders are available on our Trading Platform: market orders, limit orders, stop orders, including trailing stop orders and varying order durations.</p> <p>Further information about each type of Order can be found on Section 8 of this PDS.</p>
<p>Trading restrictions</p>	<p>Our CFDs can only be traded during the open market hours of the relevant exchange on which the underlying instrument is able to be traded. Open hours of the relevant exchanges are available by viewing the relevant exchange's website.</p>
<p>Withdrawing money from your Account</p>	<p>You may request a withdrawal of available funds by submitted a withdrawal request online through the Client Area which is located on our website.</p> <p>If we accept your withdrawal request, you should ensure that your Trading Account continues to have sufficient funds to cover your Margin</p>

	<p>Requirements should the market move to the detriment of your open positions.</p> <p>There is no maximum withdrawal limit. However, your withdrawal balance may be reduced by a withdrawal fee set out in Section 11.4 of this PDS.</p> <p>To comply with AML laws, we will only process your withdrawal payment to the payment details you have provided to us in respect of your Trading Account.</p> <p>Withdrawal requests that we accept are processed within 7 business days. Credit card transactions may be processed overnight. Wire transfers can take from 2 to 5 days to be credited to your Trading Account, depending on your bank.</p> <p>It should be noted some banks use intermediary banks that charge fees, which is your responsibility to pay.</p>
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5. Benefits of CFD trading

Some of the benefits of trading in CFDs include:

- The use of leverage to gain exposure to markets from a relatively small outlay
- Access to invest in CFDs in global markets which may offer greater portfolio diversification
- The ability to trade in rising and falling markets
- No account opening fees or minimum balance to maintain your account

6. Significant risks

The risk of losses when trading in derivatives or leveraged products, such as CFDs, can be substantial. This section is a summary of significant risks involved in trading CFDs. You should seek independent advice and consider carefully whether CFDs trading is a suitable investment for you.

Significant risks	Related information
Leverage	The use of leverage in CFD trading means that a small initial Margin payment can potentially lead to large losses. Additionally, your losses would be amplified if you borrow to fund your Trading Account, including by funding your Trading Account using a credit card.
Loss of margin (your collateral)	The Margin Requirements for the open positions you hold can change rapidly due to changes in the market for the underlying instrument, and you could lose the initial Margin payment provided to open the CFD position. In addition, you may be required, at short notice, to deposit additional Margin to maintain your open position.

Counterparty risk	<p>You may be directly exposed to the financial risk associated with dealing with HFTTrading, and indirectly exposed to the financial risks of CTRL Capital (our hedge counterparty). If the financial conditions of HFTTrading and CTRL Capital were to deteriorate, then HFTTrading might not be able to fulfil our obligations to you. You could become an unsecured creditor to our administration or liquidation or be affected by the administration or liquidation of CTRL Capital, and you would not have any recourse to any underlying instrument.</p>
Operational risk	<p>HFTTrading operates a highly automated system and is reliant on its technology operating as desired. Accordingly, operational risks are inherent in every position you open with us. A disruption to either our Trading Platform (hardware or software), communication networks or other systems may lead to delays in the execution and settlement of trades.</p>
Market Risk	<p>Financial markets can change rapidly. Prices of the underlying instruments depend on a number of factors, such as interest rates, demand and supply, actions by the relevant issuers and actions of government and regulators. In some cases, the underlying instrument may be suspended from trading or have their quotations withdrawn from the exchange where they are traded. These factors will directly affect the value of your CFD position.</p>
Liquidity Risk	<p>This is the risk that an open CFD position cannot be closed out quickly enough to prevent a loss or to make the required profit. For example, a lack of liquidity in the underlying instrument may impact the ability of our hedge counterparty, CTRL Capital, to quote prices to us, which will in turn impact our ability to quote prices to you and, therefore your ability to execute Orders with us.</p> <p>Accordingly, even though the extent of losses could be subject to an agreed upon limit through the use of different Order types, there is still a risk that you may incur losses beyond these limits. However, the Trading Account would not ordinarily fall below zero where negative balance protection is a feature of the CFD.</p>
Foreign exchange exposure	<p>If you enter into any positions that are denominated in a currency other than the base currency on your Trading Account, you are exposed to exchange rate fluctuations during the period the position remains open. We will endeavour to use the current exchange rates for any conversions performed.</p>

Involuntary close-out of positions	<p>HFTTrading has the right to close out a CFD position without your agreement in a number of circumstances. Accordingly, you may not be able to anticipate or control the time at which a CFD position is closed out. It is possible that close out may occur where insufficient funds are held in the Trading Account to cover amount payable by you.</p> <p>Further details can be found in Section 7.3 of this PDS.</p>
Cryptocurrency risk	<p>CFDs are high risk investment products, which are volatile, creating the opportunity for high financial returns or losses. Cryptocurrencies are also high-risk facilities and their value fluctuates significantly. Cryptocurrencies are not just subject to market risks of supply and demand, but also to technology risks. Accordingly, you should consider your exposure to losses when trading in CFDs over cryptocurrencies.</p>

7. Trading CFDs with us

7.1 Opening a Trading Account

Before trading you should read the contents of this PDS, our Terms of Use and the FSG and decide whether CFD trading is suitable for you.

To open a Trading Account with us, you must complete our Account Application Form. You may obtain a copy of this form from our website or by contacting us directly. When you open a Trading Account with us you agree to our Terms of Use. We strongly suggest that you read the Terms of Use as it set out the legal terms which govern our dealings with us.

7.2 How to establish a CFD position

You can enter into a CFD position through our Trading Platform. To create a new position or increase an existing position, your available Account Equity must be sufficient to cover the Margin required for that trade. Your available Account Equity at any given time is the balance of your Account Equity after deducting your total Margin Requirement for current open positions.

If you do not have sufficient Account Equity you may only fund the Margin required for that trade by making additional payments into your Trading Account. Your payment is only effective when we receive your cleared funds and we credit your Trading Account to reflect the payment. HFTTrading accepts Mastercard, Visa and Wire (bank) transfers. Credit card deposits may appear in your Trading Account instantly as we can receive instant bank verification. Bank wire transfers may take 2 to 5 days to be cleared depending on your bank and we will apply the funds to your Trading Account on the same day they are cleared. You will receive confirmation through the Trading Platform of any positions we enter into with you.



7.3 Closing a position

Ordinarily, CFD positions do not expire or have a fixed term of existence, so they must be closed out by you.

If you wish to close an open position, you enter into a new position which is equal and opposite to the open position. To close a 'buy' or 'Long' position - you sell. To close a 'sold' or 'Short' position - you buy.

We may exercise our discretion to close out any open positions in the following circumstances:

- Where trading in the underlying instrument is suspended or halted by the relevant exchange or the underlying instrument has been de-listed from the relevant exchange;
- Where you are unable to satisfy a Margin Call; or
- Where you engage in abusive trading determined in our discretion.

When a position is closed out, we will credit any realised profit or loss from that position into your Trading Account. The realised profit or loss would be calculated by deducting any applicable fees or charges. If the position was denominated in a foreign currency, the realised profit or loss would also be converted to the base currency on the Trading Account using the current exchange rate.

7.4 Confirmation of transactions

You may obtain confirmation of any positions entered into with us by accessing your daily account statement through the Trading Platform which you may also print out for your records. It is your obligation to review your trade confirmations immediately to ensure their accuracy and to report any discrepancies to us within 48 hours.

If you have provided HFTTrading with an e-mail address, we will assume that you consent (unless you tell us otherwise) to confirmations being sent to you electronically, including by posting information on the Trading Platform which can be viewed through your Trading Account.

8. Order types

Different types of Orders are available on our Trading Platform. Orders may only be executed during the trading hours of the relevant underlying instrument.

All Orders are treated as either a buy or sell instruction from you, without reference to whether they are intended to open or close a CFD position. Under our Terms of Use it is your responsibility to ensure that all Orders placed by you have been executed correctly.

We have a discretion on whether or not to accept or reject any Orders. Even if we accept your Order, we cannot guarantee that it will be filled completely or even partially. Our ability to fill Orders is dependent on our hedging arrangements which, in turn, depends on the



availability of liquidity in the market for the underlying instrument at the price at which you place your Order.

Below are the Order types offered by HFTTrading:

8.1 Market Orders

These are Orders to buy or sell at a specified price and include the following Order types: buy by market; sell by market; buy stop and sell stop.

8.2 Limit Orders

A limit order places a restriction on the maximum price at which a long CFD position may be opened (in the case of a buy limit order) or the minimum price at which a short CFD position may be opened (in the case of a sell limit order). These orders may be used to enter a position, or to close a position.

8.3 Stop Loss Orders

A stop loss order is an instruction from you to close a position at a specified price to limit potential loss should the market move against your position.

Generally, we will try to accept a stop loss order, subject to market conditions and the reasonableness of your stop loss order. Your order may be unreasonable if, for example, the level you have specified is beyond the level allowed for Orders for the underlying instrument, or trading in the underlying instrument has been halted or suspended.

Trailing stop is a type of stop loss order that can be used to close out positions at a defined percentage or specified amount away from the value of the underlying instrument.

There is no guarantee that a stop loss order will be executed even if the market moves against your position to the level specified in the Order. This is because Orders may be subject to what's known as "slippage", due to an increase in volatility or volume. This generally occurs during news events or 'gapping' in the markets.

8.4 Take Profit Order

A take profit order is an instruction from you to close out a position at a specified level in order to realise gains should the market move in your favour. As with stop loss orders, there is no guarantee that the take profit order will be executed at the level specified in the Order.

8.5 Order durations

Orders will remain in effect until either it has been cancelled by you or us, executed by us, or we no longer quote the CFD which your Order was placed over. HFTTrading offers the following types of Order durations:

- Good until cancelled (GTC) - this is an Order to buy or sell at a specified price which remains in effect until executed or cancelled by you.



- One cancel the other (OCO) – this is a pair of Orders stipulating that if one order executes, then the other order is automatically cancelled.
- Close by – this Order type allows you to close two orders by cancelling each other out.
- Multiple close by – this is similar to a close by order but applies to multiple positions at the same time.

9. Client Money and Margining

9.1 Client Money Account

Any money that you deposit with us for trading purposes would be paid into a trust account (known as our **Client Money Account**) that we maintain with an Authorised Deposit Taking Institution in compliance with the Australian Client Money Rules and ASIC Regulatory Guide 212: *Client Money Relating in OTC Derivatives*.

HFTTrading may maintain more than one Client Money Account. Money held in the Client Money Account is held on trust by HFTTrading for the benefit of clients. Money to which you are entitled in the Client Money Account is co-mingled with money to which other clients are entitled but kept separate from HF Trading's own money.

We don't use client money to which you are entitled for meeting our hedging obligations with CTRL Capital or other liquidity providers, or for meeting trading obligations with other clients. We fund these obligations from our own money.

We hold client money separately from our own operational money and we don't deposit our operational money into our Client Money Account. We periodically remove any money from the Client Money Account that becomes money to which we are entitled as a result of trading.

We'll only withdraw your client money from our Client Money Account where we are permitted to do so under the Australian Client Money Rules. This includes to:

- (a) process a withdrawal for you;
- (b) cover fees to which we are entitled;
- (c) pay money to us that we're entitled to as a result of you trading with us; and
- (d) make a payment that's otherwise permitted by law.

You should be aware that we're solely entitled to any interest or earnings on client money held in our Client Money Account or invested in compliance with the Australian Client Money Rules.

9.2 Margining

Margin is the deposit we take from you to cover our exposure as counterparty to the CFD position you establish with us.

To open a position on our Trading Platform you must pay to us the Margin required for the trade (or have Account Equity, sufficient to cover that amount). This amount is referred to



as the initial Margin. The Margin rates for different types of CFDs we offer are available on the Trading Platform and are also contained on our website.

We reserve the right to change the Margin at any time during which the CFD remains open. We may take steps to notify you of changes to the Margin if you already have an open CFD, or if you wish to open a new position.

For as long as the position is open, you are required to keep sufficient Account Equity to cover your Margin Requirement. It is ultimately your responsibility to monitor your Trading Account and to ensure that your Account Equity exceeds your Margin Requirement. If your Account Equity falls below the Margin Requirement, we may make a Margin Call via an email or alert from within the Trading Platform. This serves as notice that your trades are at risk of being closed out by us.

If no time is stipulated, we require payment within 24 hours of the Margin Call being made. Sometimes, however (such as in unusually volatile market conditions or rapidly falling market prices), little or no time may be stipulated for paying a Margin Call (that is, immediate payment is required) or more than one Margin Call may be made on the one day including at weekends or outside of local business hours. Accordingly, you must monitor your Trading Account and be contactable by us as you remain liable to meet the Margin Call.

We have a discretion to exercise a Margin Close Out of some or all of your open positions where:

- your Account Equity falls below 50% of the Margin Requirement; or
- your Account Equity falls below 100% of the Margin Requirement for 5 days or more.

We may close out your least profitable position(s) first, to significantly decrease the probability of you losing more than the amount that is in your Trading Account.

10. Types of CFDs we offer

10.1 Foreign exchange CFDs

Foreign exchange CFDs allow you to gain exposure to movements in currency pairs in anticipation that one currency will either rise or fall in value against the other currency.

Details of currency trading sizes and Margin requirements are set out in the contract specifications.

The contract specifications for our foreign exchange CFDs can be found on our website or Trading Platform. **Commodity CFDs**

Commodities are physical goods bought and sold through futures contracts traded on regulated exchanges such as, cotton, wheat, sugar and oil. Commodities are traded in standardised contracts. The underlying instrument for the CFD is the futures contract. One contract is defined as a certain weight or volume (or other agreed measurement) of that particular good.

Commodity CFDs allow you to gain exposure to the changes in the price of these contracts, without trading the underlying commodities or futures contracts themselves.

The value on which you are trading is that of a commodities contract at a set point in the future, taking into account the cost of holding/carrying the physical commodity until the expiry date. There is no option to physically deliver or receive the commodity.

The contract specifications for our commodity CFDs can be found on our website or Trading Platform.

10.2 Index CFDs

Index CFDs allow you to gain exposure to movements in an underlying index. The underlying instrument for the CFD is the futures contract traded on regulated exchanges.

The contract specifications for our Index CFDs can be found on our website or Trading Platform.

10.3 Cryptocurrencies CFD

Cryptocurrency CFDs allows you to gain exposure to price movements in cryptocurrencies traded on relevant exchanges (which are commonly not regulated as exchanges in the way that stock exchanges and futures exchanges are). Cryptocurrencies are more volatile than other underlying instruments and may be even more susceptible to sharp and sudden movements in price, which could affect the value of your positions. You should ensure that you understand the specific risks before trading in cryptocurrency CFDs.

Details of trading sizes and Margin requirements are set out in the contract specifications.

The contract specifications for our cryptocurrency CFDs can be found on our website or Trading Platform.

10.4 Shares & ETF CFDs



Shares & ETF CFDs allow you to gain exposure to the underlying security without physically owning that security. Share & ETF CFDs do not have a fixed expiry date, giving you the freedom to close your position when you choose.

The contract specifications for our shares & ETF CFDs can be found on our website or Trading Platform.

Relevant trading examples will be included on the Company's website for your better understanding.

11. Fees and Charges

11.1 Spread & Commissions

We do not earn any spread from the CFD positions you enter into with us. This is because we hedge all of your positions by taking offset positions with CTRL Capital. We quote to you the same prices that are quoted to us by CTRL Capital. CTRL Capital may incorporate a spread into the prices they quote to us and earn revenue in this way.

We earn a commission from CTRL Capital which is based on the volume of hedged positions. The spread and commissions may be incorporated in the spreads which CTRL Capital quotes to us (which are the spreads we quote to you).

11.2 Inactivity fees

We may charge you a monthly inactivity fee if there is no or low (defined as 5 transactions per month) trading activity in the Trading Account for a consecutive period of two months, as follows:

Inactivity Period	Inactivity Fee
up to 60 days	80 AUD per month
61 to 90 days	80 AUD per month
91 to 180 days	120 AUD per month
Over 181 days	200 AUD per month

11.3 Overnight financing fee

If you hold a position overnight, we will charge you an overnight financing fee which will be debited from your Trading Account. You are deemed to have held a position overnight if it is open at 12:00am (GMT+ 2). This fee will be charged regardless of whether you have a Long or Short position open.

The overnight financing fees applicable to your open positions can be found on our website and is subject to change from time to time.

11.4 Withdrawal fee

If you apply to withdraw funds from your Trading Account and we accept your withdrawal request, we may charge you a withdrawal fee of 50 AUD where:

- there is insignificant trading activity (that is, only one single position was opened on the Trading Account) or no trading activity (that is, no positions were opened on the Trading Account); or
- the withdrawal amount is less than 100 AUD.

For more information please refer to our Withdrawal Policy which can be found on our website.

12. Other important information

12.1 Discretion

HFTrading has discretions under the Terms of Use which can affect your Orders and positions. You do not have any power to direct how we exercise our discretions.

When exercising our discretions, we have a legal obligation under our Australian financial services licence to act efficiently, honestly and fairly. We may have regard to our policies and to managing all risks (including financial, credit and legal risks) for ourselves and all of our clients, our obligations to our counterparties, market conditions and our reputation. We will try to act reasonably in exercising our discretions, but we are not obliged to act in your best interests or to avoid or minimise a loss in your Trading Account.

Our significant discretions include:

- whether to accept your Order (including to close out a position) or to amend it;
- any suspensions, halts or limits we impose on your Trading Account or your trading;
- determining Margin Requirements, especially the amount of initial Margin, further Margin and our Margin Call process; and
- determining values of CFDs (for opening and closing positions and for determining Margin).

You should consider the significant risks that arise from HFTrading exercising its discretions.

Our other discretions include:

- setting our fees;
- setting foreign exchange conversion rates;
- opening and closing your Account;

- giving you a grace period for full compliance in paying by cleared funds any amount you owe; and
- interpretation, variation and application of our policies.

12.2 Anti-money laundering laws

HFTTrading is subject to anti-money laundering and counter-terrorism financing laws (**AML laws**) that can affect your CFD trading. The AML laws require HFTTrading to collect information from you. The AML laws may preclude us from executing transactions with you. HFTTrading may disclose your personal information or stop transactions on your Trading Account for the purposes of the AML laws or under our AML procedures, without liability to you for any loss that arises due to that occurring.

12.3 Taxation Implications

Taxation law is complex, and its application will depend upon your individual circumstances. When determining if CFDs are right for you, you should consider the impact on your own taxation position and seek professional taxation advice.

12.4 Cooling off

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

12.5 Ethical considerations

CFDs you enter into with us do not have an investment component within the meaning of the Corporations Act for this purpose. Labour standards or environmental, social or ethical considerations are not taken into account by HFTTrading when making, holding, varying or closing out CFDs.

12.6 Jurisdiction

The distribution of this PDS in jurisdictions outside Australia may be subject to legal restrictions. Any person who resides outside Australia who gains access to this PDS should comply with any such restrictions and failure to do so may constitute a violation of financial services laws.

12.7 Insurance

HFTTrading has insurance in place to cover a variety of different risks, some of which may assist in the repayment of deficits arising if there is fraudulent activity by one of HFTTrading's employees, directors or authorised representatives that results in your money being used in fraudulent activities.



12.8 If you have a complaint

We have an internal complaint resolution process that is there to assist in the resolution of any issues arising from a complaint about a product or service received from us. You can make a complaint by completing and submitting the online form which can be found on our website.

We will seek to acknowledge any complaint promptly and provide a substantive response within no more than 45 days.

If you do not get a satisfactory outcome, you have the right to complain to the Australian Financial Complaints Authority (**AFCA**). HFTTrading is a member of AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers. The contact details for AFCA are as follows:

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

12.9 Privacy statement

All of the information collected by HFTTrading, in the application form or otherwise, is used for maintaining your Trading Account and for the purpose of assessing whether you would be suitable as a client. If you do not provide any requested personal information to HFTTrading, we may not be able to provide you with access to use the Trading Platform or our services.

We may disclose (and you are deemed to consent to us disclosing) your personal information for the purposes for which it is collected and for any related purposes:

- to its affiliated entities for the purpose of such affiliated entities contacting you about their products and services;
- to any person who acquires or expresses an interest in acquiring all or any part of our business;
- to any person where necessary or desirable in connection with us investigating, preventing or taking action regarding any breach or suspected breach by you of our Terms of Use or any law;
- to any person as required or authorised by or under law; and
- to any other person to whom you subsequently consent from time-to-time.

We may transfer (subject to certain conditions) your personal information outside of Australia.

We take reasonable steps to make sure that the personal information that we collect, use or disclose is accurate, complete and up to date.



We have implemented and maintains secure protection of all personal information obtained from misuse, loss, unauthorised access, modification or disclosure.

The information will be destroyed or de-personalised if we no longer require the information for the purpose referred to above. HFTTrading's Privacy Statement can be viewed in full on its website at www.hftrading.com.au/privacy.

12.10 Other information

Other information about HFTTrading and/or the products contained within this PDS may be found on our website. Please contact us if you have any questions in relation to us or the products covered by this PDS.

13. Glossary

Unless expressed or implied to the contrary, the following words have the meaning set out below in the PDS:

Account Application Form means the application form required to be completed in order to establish a Trading Account with us.

Account Equity means the total amount of your Cash balance and net unrealised profit or loss for all open positions connected to your Trading Account.

Australian Client Money Rules means Part 7.8 of the Corporations Act and the *ASIC Client Money Reporting Rules 2017*.

Cash balance means the total amount of money recorded in your Trading Account and includes money held in our Client Money Account for your benefit.

Client Money Account means the account maintained by CTRL Investments for the purposes of section 981B of the Corporations Act.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Long position means the position taken to purchase a CFD with the expectation that it will increase in value due to favourable movement in the underlying instrument.

Margin or initial Margin means the amount required to create a new position or increase an existing position which is expressed as a set value or percentage of the value of the CFD (and any changes to margin which we may determine after the position is opened).

Margin Call means a demand for additional funds to be deposited in your Trading Account to meet your Margin Requirement if your Account Equity has fallen below this amount.

Margin Closeout means the close out of some or all of your open positions by CTRL Investments until your Account Equity is equal to or greater than 50% of the Margin Requirement.

Margin Requirement means aggregate initial Margin for all open positions which is required to be held in Account Equity to keep those positions open.



Orders mean an instruction that is given by you in relation to one or more of your positions.

Short position means the position taken to sell a CFD with the expectation that it will fall in value due to unfavourable movement in the underlying instrument.

Trading Platform means the online trading platform provided by CTRL Investments known as the MetaTrader 4 Platform.

Trading Account means the trading account that you have with CTRL Investments through which you can place orders to acquire and dispose of CFDs.

