Product Disclosure Statement

AETOS Capital Group Pty Ltd

July 01 2024

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AETOS CAPITAL GROUP PTY LTD AFSL:313016 ACN: 125113117
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https://www.aetoscg.com.au

Product Disclosure Statement

1. Key information

AETOS Capital Group Pty Ltd (***AETOS, it, its, we, us, our***) ACN 125 113 117 is the issuer of the products described in this Product Disclosure Statement (***PDS***). Should you have any query about this document, please contact us as follows:

AETOS Contact Details

Product Issuer: AETOS Capital Group Pty Ltd ACN 125 113 117

Address: Level 15, 122 Arthur Street, North Sydney, NSW 2060, Australia

Official Website: www.aetoscg.com or elsewhere as nominated by AETOS from time to time

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Australian Financial Services Licence number: 313016

Preparation date: July 01, 2024

Version 20240701

Purpose:

This PDS explains what you need to know about the products AETOS can offer you. It is designed to:

- Provide you with the information you need to determine whether the products AETOS offers are appropriate for your personal objectives, financial situation and needs; and
- Explain the terms and conditions, rights and obligations associated with AETOS products; and
- Help you to compare products.

Warning: Trading in Margin FX Contracts and CFDs involves the potential for profit as well as the risk of losing all your deposited investment. In addition, you will not own or have any right to the Underlying Instruments. CFDs, including Margin FX Contracts are not suitable for all investors. It is important that you carefully consider the relevant legal documents including this Product Disclosure Statement (**PDS**), the Terms and Conditions, the Target Market Determination (**TMD**) and the Financial Services Guide (**FSG**), all of them are available free of charge on AETOS website, before you decide whether or not to acquire any of AETOS products. Movements in the price of the margin contract's Underlying Instrument (e.g. Foreign Exchange rates or Commodity prices) are influenced by a variety of unpredictable factors of global origin. Violent movements in the price of the Underlying Instrument may occur in the market as a result of which you may be unable to settle adverse trades.

Throughout this PDS, AETOS will refer to ASIC benchmarks, like these:

Regulatory Benchmarks

ASIC has developed seven disclosure benchmarks for OTC Derivatives that help retail investors understand the risks associated with OTC Derivatives, assess their potential risks and decide whether any investment in OTC Derivatives is suitable for them. These requirements are contained in ASIC's Regulatory Guide 227 ("RG227").

This table sets out which benchmarks we meet and refers to related disclosure information which describes how we meet the benchmarks.

Benchmark	Description	Benchmark Met?	Further Information
Client Qualification	Addresses the issuer's policy on investors' qualification for CFDs trading.	Yes	AETOS assess the suitability of our clients when clients apply to open a Trading Account. Further information can be found on page 7 of this PDS.
Opening Collateral	Addresses the issuer's policy on the types of assets accepted from investors as opening collateral.	Yes	AETOS has a policy on the types of assets that are accepted as opening collateral. It is suggested that a limit of $1,000 be accepted for opening payments made by credit card. Further information can be found on page 8 of this PDS.
Counterparty Risk Hedging	Addresses the issuer's practices in hedging its risk from client position(s) and the quality of this hedging.	Yes	AETOS maintains and applies a written Counterparty Credit & Hedging Policy, the Hedging Policy is available at www.aetoscg.com.
Counterparty Risk Financial Resources	Addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements.	Yes	AETOS maintains and applies to policies to ensure we meet all financial regulatory obligations including the requirements of an Australian Financial Services Licensee. Further information can be found on page 26 of this PDS.
Client Money	Addresses the issuer's policy on its use of client money.	Yes	AETOS has a detailed Client Money policy and does not use client money for hedging with counterparties. Further information can be found on Page 29 of this PDS.
Suspended or halted Underlying Instrument	Addresses the issuer's practices in relation to investor trading when trading in the Underlying Instrument is suspended or halted.	Yes	AETOS does not allow new position(s) to be opened when the underlying market is halted or suspended. Further information can be found on page 28 of this PDS.
Margin Calls	Addresses the issuer's practices in the event of client Trading Account entering into Margin Call.	Yes	AETOS maintains automated margining processes and procedures. Further information can be found on page 18 of this PDS.

When you open a Trading Account with AETOS, you will be provided with a separate document titled "Terms & Conditions". It contains terms and conditions that govern AETOS' relationship with you. You can obtain a free copy of the document by contacting AETOS or visiting the AETOS official website www.aetoscg.com by using the details at the start of this PDS.

ASIC Corporations (Product Intervention Order – Contracts for Difference) Instrument 2020/986

ASIC Corporations (Product Intervention Order – Contracts for Difference) Instrument 2020/986 sets out various conditions

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that apply to the issue of CFDs, including CFDs issued in accordance with this PDS. AETOS provides its trading service and products to clients in strict compliance with the ASIC Corporations Instrument 2020/986

Further information can be found on ASIC media release webpage:
https://asic.gov.au/about-asic/news-centre/find-a-media-release/2020-releases/20-254mr-asic-product-intervention-order-strengthens-cfd-protections/

This PDS is only required to be provided to Retail Clients. If you are a Wholesale Client (including sophisticated investors), then providing you with this PDS does not mean we wish to treat you as a Retail Client.

Design and Distribution Obligation

The design and distribution obligations are in Pt 7.8A of the Corporations Act 2001 and were introduced by the *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019.* The obligation comes into effect and applies to CFD products issuers and distributors since October 05 2021. In order to perform the obligation, AETOS has issued separate Target Market Determination (**TMD**) for each of its CFD products with the respective underlying instrument. The document describes the target market of consumers for AEOTS CFD products from several perspectives, including objectives, tolerance to risk, knowledge and experience and other key attributes of the group profile. You can obtain a free copy of TMD for the respective CFD product you plan to deal with by visiting Legal Document section on AETOS website www.aetoscg.com. However, the TMD document is not suitable for the purpose of deciding whether to open a CFDs trading account with AETOS or trade in CFDs.

2. What is AETOS authorised to do?

AETOS is authorised to:

- Provide you with general financial product advice in relation to Foreign Exchange and Derivatives Contracts. AETOS is also authorised to deal with those same products. This means that AETOS can advise you, without taking into considerations of your personal circumstances, about Foreign Exchange Currency Pair, Index, Share, Commodity and Exchange-traded funds ("ETFs") related trading and the general state of the relevant markets. AETOS can also help you open a Trading Account with it and use its trading platform services.
- "Make a market" for Foreign Exchange and Derivatives Contracts. This allows AETOS to quote market prices to you, including buy and sell prices.

AETOS will provide you with advice, which is general in nature. Whenever AETOS gives general advice (e.g. through AETOS official website, or in this PDS), AETOS does not take into consideration of your financial situation, personal objectives or needs. Before using the products referred to in this PDS you should read it carefully, and then consider your objectives, financial situation and needs and take all reasonable steps to fully understand the possible outcomes of trades and strategies that can be employed using AETOS' trading platforms. AETOS recommends that you seek independent financial advice to ensure that a particular product is suited to your financial situation and requirements.

There are two broad types of products that you can trade with AETOS:

- Margin Foreign Exchange Contracts (***Margin FX Contracts***);
- CFDs over Underlying Instruments (including Index, Share, Commodity and ETFs).

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3. Applying for a Trading Account

ASIC Benchmark 1 – Client Qualification

Trading in OTC Derivatives involves significant risks and may not be suitable for all investors. Because of this, AETOS includes minimum qualification criteria in its Account Opening Form which prospective clients like you must satisfy before AETOS allows to you trade with us. AETOS looks at factors including your understanding of the products listed in this PDS, your income and previous investment experience before agreeing to open a Trading Account for you.

You are required to achieve a pass mark of 80% or above when completing our qualification test. Applicants who do not achieve the stipulated pass rate are unable to open a Trading Account with us. In addition, those applicants who fail the qualification test may be offered education to assist with understanding of the products listed in this PDS. Applicants who initially fail the qualification test may be retested in part or whole or may re-apply for a Trading Account and re-sit the qualification test.

The qualification test in our Trading Account application procedure addresses the following criteria:

- Previous trading experience in financial products,
- Understanding of leverage, margin and volatility,
- Understanding of the key features of the products,
- Understanding the trading process and relevant technology,
- Ability to monitor and manage the risks of trading, and
- Understanding that only risk capital should be traded.

The pass rate of the qualification test is an important indicator for the TMD document review trigger. Where a high failure rate in the qualification test has been identified for a certain timeframe, for example when the average failure rate is above 80% among the prospective customers for one month, AETOS will conduct a review on its products design and distribution procedures and its TMD documents to avoid the risk of significant dealing.

Before you begin dealing with AETOS you must complete a Trading Account Application Form either online or by hard copy and be approved by us. You will be provided with a copy of our Terms & Conditions which govern our relationship with you. You can obtain a further copy of AETOS Terms & Conditions from the legal documents section of AETOS official website. Before completing an Account Application Form, you should read and understand this PDS, you will also need to electronically agree that you have read, understood and agreed to the Terms & Conditions, FSG and this PDS before submitting your application. When applying for a Trading Account you agree to be bound by the contents of this PDS, our Terms & Conditions and FSG.

The Application Form requires you to disclose personal information. You should refer to the Privacy Policy on AETOS official website which explains how we collect personal information and then maintain, use and disclose that information between our Associated Companies or third parties, and privacy issues specific to your use of our website. You warrant that the information (including financial information about yourself) provided to us in your Application Form (and at any time thereafter) is true and accurate in all respects. You acknowledge that we will rely upon the information you so provide to us in making a judgement about you as a potential client.

The distribution of this PDS in any jurisdiction outside Australia may be restricted by law and persons who come into possession of this PDS should seek advice on and observe any such restrictions. This PDS does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

4. Funding Your Account

ASIC Benchmark 2 – Opening Collateral

Opening collateral is referred to in this PDS as “Initial Margin”.

Your newly established AETOS Trading Account must be funded before you start trading. The minimum account deposit when you first open your Trading Account is generally A$250. The minimum account deposit requirement may vary depending on the types of Trading Accounts. After the initial deposit, the minimum deposit will be reduced to $50.

You will be required to deposit an Initial Margin which typically is a percentage of the notional contract amount (see the section headed “Initial Margin requirements” on the page 17).

You can deposit your funds via Wire Transfer from your bank account into your Trading Account or via a debit card or credit card.

- You can only deposit up to $1,000 or equivalent on initial credit card funding. The reason for this limit is that, by using your credit card, you may be exposed to “double leverage”. Should you experience trading losses, there is a higher risk of not being able to hold sufficient funds to maintain margins on an ongoing basis or the risk of entering into financial difficulty.
- AETOS does not accept any cash deposits or third-party payments. Please keep in mind that restrictions on third party payments are set by banks and Australian regulators, which have developed extensive laws, regulations and policies to stop money laundering activities.

5. Margin FX Contracts

Margin FX contracts are agreements between you and AETOS which allow you to make a gain or loss, depending on the movement of Underlying Currencies. The contract derives its value from Underlying Currencies (usually referred to as a Currency Pair) which is never delivered to you, and you do not have a legal right to, or ownership of it. Rather, your rights are attached to the contract itself. If you have made a profit on the trade, the difference will be credited to your Account; if you have made a loss on the trade, the difference will be debited from your Account. Fees and charges affecting your profit or loss may apply. Financing cost (referred to as interest adjustment or swap charge/credit in this PDS) may impact the profitability of your trade. You can hold a Margin FX Contract for as long as you like, although you must be able to meet your Margin Requirements. The contracts only require a deposit which is much smaller than the contract size (this is why the contract is “margined” or “leveraged”).

Example

An example of a Currency Pair is EURUSD. EURUSD 1.24619 means that one Euro is exchanged for 1.24619 U.S. Dollars. The currency on the left of a pair is a Base Currency.

You can buy or sell a Margin FX Contract. If you buy or sell as your first transaction, you are opening your position(s). When you buy, you buy at the “ask” price, and when you sell, you sell at the “bid” price.

Example

If the EURUSD Currency Pair is quoted at 1.24601/1.24619, then this is showing the bid/ask price. To buy (ask), you would pay 1.24619 x contract size. To sell (bid), you would receive 1.24601 x contract size. The difference between the two prices is 0.00018 which, in this example, is a Spread.

Each contract's size (or total notional value) will vary according to what you are trading. The standard contract size is 100,000 in the first quoted currency. In the above example, a standard contract of EURUSD has a notional value of EUR100,000.

Remember: What you are actually buying or selling is a contract – not the Currency, or Underlying Instrument itself. In the event that our Trading Platform is unable to process trades, you can trade with us over the phone where we will provide you a quote for the Instrument you are trading in.

You then choose when to sell or buy in order to close your position(s). To close an open position, you need to locate the order in the online trading platform. You can either right click on the order you wish to close and choose "close order" or bring up the "order window" and close the order you wish to close from the "order window". Please note the process of closing a position is different if you choose to trade via your mobile or other methods.

The profit or loss resulting from the trade will be credited or debited to your Trading Account. Where applicable, financing cost (referred as interest adjustment or swap charge/credit in this PDS), commission charge, or other fees and charges may impact on the profitability of your trade.

AETOS has trading rules (including "Forced Liquidation" which is explained on page 18 and an "Initial Margin" requirement which is explained above) (see the section titled "**Significant Risks**" on page 22). AETOS usually offers settlement of trades on a T+0 basis. This means that your Trading Account will be credited or debited instantaneously after you close your open position(s).

Example

You think that the EUR will appreciate against the USD in the near future. You see that the price quoted by AETOS on the EURUSD Currency Pair is 1.24601 (bid) / 1.24619 (ask). On the very next day, the price quoted on EURUSD Currency Pair by AETOS has increased by 10 pips to 1.24701 (bid) / 1.24719 (ask). The "ask" price is the buy price, so you buy a 1 lot contract of EURUSD. You want to sell it later at a higher price.

Opening the Position(s)	
Buy 1 lot EURUSD at ask price: Contract Value = lot x contract size x market price	1 x 100,000 x 1.24619 = USD 124,619.00 (Contract Value)
The leverage level set on your Trading Account is 30:1. That means that AETOS requires an Initial Margin to be deposited into AETOS' Trading Account, which is 3.33% of the contract value.	USD 124,619.00 x 3.33% = USD 4,153.97 (Initial Margin)
AETOS earns a Spread on the bid and ask prices it quotes to you. In this example, the difference is 0.00018 (also known as 1.8 "pips"), which amounts to USD 18.00 in contract value. It is built into the price when you clicked "buy" and again when you click "sell".	1 x 100,000 x (1.24619 – 1.24601) = USD 18.00

Interest Adjustment	
When a position is held open overnight (when it passes 20:59:59 GMT during Daylight Saving Time on the platform), you are credited or charged an interest. Interest Adjustment is calculated based on the end of day price of the product. However, for the simplicity in our example, we will use the open price as end of day price. The Swap Rate can be found on the Cost and Product List page of our website. These charges or credits are referred to as 'Swap' in the Trading Platform but may sometimes be referred to as financing, interests, or swap charges/credits. Example: If Swap Rate of buying EURUSD is -2.20%, you buy 1 lot of EURUSD. Interest Adjustment = (Contract Value x Swap Rate) / 360	(1 x 100,000 x (-2.20%) x 1.24619) / 360 = - USD 7.62
Closing the Position(s)	
The next day the price of EURUSD has increased by 10 pips to 1.24701 (bid) / 1.24719 (ask). The trade has moved in your favour and you decide to take your profit and close the position by closing at the bid price.	1 x 100,000 x 1.24701 = USD 124,701.00
Your gross profit is the difference between the opening position and the closing position.	USD 124,701.00 – USD 124,619.00 = USD 82.00
Your net profit is the gross profit plus/less the costs which may include the Interest Adjustment (if it applicable). The Spread was built into the price, which included USD 18.00 in this example.	USD 82.00 – USD 7.62 = USD 74.38

Summary: In the above example, you must deposit at least USD 4,153.97 to cover your Initial Margin Requirement, and you have made a total gain of USD 74.38. On the contrary, if the price had decreased by 10 pips instead of increased, you would have made a loss of USD 125.62.

Note: More detailed explanations are set out under the heading "**The Costs in Using AETOS Products**" below. Also note that Spread, leverage ratio and Swap rates may vary depending on the types of Trading Account. Swap rate normally will be calculated once only during the trading days of the week while if you hold opening positions overnight on Wednesday, 3-days swap will be calculated to account for the weekend. Please refer to the Cost and Product List on AETOS official website for more details.

6. CFDs

A CFD is a leveraged financial product that changes in value by reference to fluctuations in the price of an Underlying Instrument, and/or the price as quoted by AETOS. When trading CFDs, you and AETOS agree to exchange the difference in value of the CFD between when the CFD is opened and when it is closed. The Contract derives its value from the Underlying Instrument, which is never delivered to you, and you do not have a legal right to, or ownership of it. Rather, your rights are

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attached to the contract itself. The profit or loss resulting from the trade will be credited or debited to your Trading Account. Where applicable, financing cost (referred to as swap charge/credit in this PDS), commission charge, rollover adjustment or other fees and charges, may impact the profitability of your trade.

You can hold a CFD for as long as you are able to meet your Margin requirements. Futures CFD contracts are rolled over on expiry date and do not result in physical delivery of the Underlying Instrument to or by you. The expiry dates are set in the **AETOS Futures CFD Rolling & Trading Schedule** which can be found on the official website

6.1 Commodity CFDs

AETOS provides a wide range of Commodity CFDs to allow you to trade on the underlying futures and spot markets of precious metals, including Gold, Silver, High-Grade Copper, and energies, such as Oil and Gas, all of which have prices quoted in U.S. currency.

Commodity Cash CFDs do not have an expiry date and the trading mechanism is the same with Margin FX contracts in terms of calculating Profit and Loss. While Commodity Cash CFDs do not have an expiry date, if customers hold a position in Commodity Cash CFD overnight, an overnight financing cost will apply to your positions, referred to as Interest Adjustment or Swap Charge/Credit. The Swap Rates can be found on the Cost and Product List page of our website.

Commodity Futures CFDs share the same trading mechanism with Margin FX contracts in terms of calculating Profit and Loss but the difference lies in the rollover adjustment when Commodity Futures CFDs' underlying instrument is due for expiry. All Commodity Futures CFDs have set expiry dates and will automatically roll over to the next contract period on the expiry date unless you opt out of this by closing your positions before the market-close on the expiry date. The price of the new contract might be significantly different from the expiring contract and the market might move in a direction that is unfavourable to you. Your position will be subject to a rollover adjustment to reflect the difference between the expiring contract price and the new contract price. A Margin call or a Forced Liquidation could be triggered due to the rollover adjustment or price gap arising from the rollover. See the section below titled "**Margin Calls**" for more detail. You can find the expiry dates as set in the **AETOS Futures CFD Rolling & Trading Schedule** from AETOS official website www.aetoscg.com.

Examples of Commodity Futures CFDs and Commodity Cash CFDs are provided below with a detailed explanation of their respective trading mechanism.

Example of Commodity Cash CFDs

The example is a winning Gold Cash CFD trade. Although there is no example showing Silver Cash CFD nor other Commodity Cash CFDs trade, the mechanism of calculating Profit and Loss is the same as Gold, except the quoted rate is the price of Silver and other commodities, not the Gold, and the leveraged ratio applied to other commodity Cash CFDs might be different.

You believe that the price of Gold is undervalued, and you decide to enter into a CFD in Spot Gold with the expectation that the gold price will rise. AETOS' online trading platform is showing the price of Gold per ounce as being USD 1,313.85 (bid) / 1,314.35 (ask). On the very next day, the price of Gold per ounce has increased by USD 10.00 to 1,323.85 (bid) / 1,324.35 (ask). AETOS' standard lot size is 100 ounces and you buy 1 lot.

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Opening the Position(s)	
Buy 1 lot Gold Cash CFD at ask price: Contract Value = lot x contract size x market price	1 x 100 x 1,314.35 = USD 131,435.00 (Contract Value)
The leverage level set on your Trading Account is 20:1. That means that AETOS requires an Initial Margin to be deposited into AETOS' Trading Account, which is 5% of the contract value.	USD 131,435 x 5% = USD 6,571.75 (Initial Margin)
AETOS earns a Spread on the difference between the bid and ask prices it quotes to you. In this example, the Spread is USD 0.50, which amounts to USD 50.00 in contract value. It is built into the price when you clicked "buy" and again when you click "sell".	1 x 100 x (1,314.35 – 1,313.85) = USD 50.00
Interest Adjustment	
When a position is held open overnight (when it passes 20:59:59 GMT during Daylight Saving Time on the trading platform), you are credited or charged an interest. Interest Adjustment is calculated based on the end of day price of the product. However, for the simplicity in our example, we will use the open price as end of day price. The Swap Rate can be found on the Cost and Product List page of AETOS official website. Example: If Swap Rate of buying Gold is -3.10%, you buy 1 lot of Gold CFD. Interest Adjustment = (Contract Value x Swap Rate) / 360	(1 x 100 x (-3.10%) x 1,314.35) / 360 = - USD 11.32
Closing the Position(s)	
The next day the price of Gold has increased by USD 10.00 to 1,323.85 (bid) / 1,324.35 (ask). The trade has moved in your favour and you decide to close your position.	1 x 100 x 1,323.85 = USD 132,385.00
Your gross profit is the difference between the opening position and the closing position.	USD 132,385.00 – USD 131,435.00 = USD 950.00
Your total net gain is the gross gain plus/less the costs and Interest Adjustment (if applicable). The Spread was built into the price, which included USD 50.00 in this example.	USD 950.00 – USD 11.32 = USD 938.68

Summary: In the above example, you will have to deposit at least USD 6,571.75 as your Initial Margin on this trade and made a profit of USD 938.68. On the contrary, if the price of Gold has decreased by USD 10.00 instead of increased, you would have made a loss of USD 1,061.32.

Note: More detailed explanations are set out under the heading "**The Costs in using AETOS Products**" below.

Example of Commodity Futures CFDs

This example shows a winning USOIL Futures CFD trade with the detailed explanation of Rollover Adjustment contained.

On October 15, 2021, AETOS' online trading platform is quoting the price of USOIL Futures CFDs (current contract month –

December 2021) per barrel as being USD 77.08 (bid) / 77.14 (ask). You believe that the price of USOIL will maintain its escalating momentum, therefore you decide to enter into a long position of USOIL at the price being quoted, By referring to **AETOS Futures CFD Rolling & Trading Schedule,** you have noted that current month USOIL Futures CFDs will expire on October 18, 2021 and decide to hold your opening position and make them rolled over to the next contract period, instead of closing out your positions before the market close on the expiry date.

On October 28, 2021, you make your decision to close the position when the price has climbed up by 11.50 to USD 88.58 (Bid)/ 88.64 (Ask) (current contract month – January 2022).

AETOS' standard lot size for USOIL Futures CFD is 1000 barrels and you buy 0.1 lots.

<table>
<tr><td colspan="2"><u>Opening the Position(s)</u></td></tr>
<tr><td>Buy 0.1 lots USOIL Futures CFD at ask price:
Contract Value = lot x contract size x market price</td><td>0.1 x 1,000 x USD 77.14 = USD 7,714.00 (Contract Value)</td></tr>
<tr><td>The leverage level set on your Trading Account is 10:1 for USOIL. That means that AETOS requires an Initial Margin to be deposited into AETOS' Trading Account, which is 10% of the contract value.</td><td>USD 7,714.00 x 10% = USD 7,71.40 (Initial Margin)</td></tr>
<tr><td>AETOS earns a Spread on the difference between the bid and ask prices it quotes to you. In this example, the Spread is USD 0.06, which amounts to USD 6.00 in contract value. It is built into the price when you clicked "buy" and again when you click "sell".</td><td>0.1 x 1,000 x USD (77.14 – 77.08) = USD 6.00</td></tr>
<tr><td colspan="2"><u>Rollover Adjustment</u></td></tr>
<tr><td>When a position is held open at the market-close time (when it passes 20:59:59 GMT during Daylight Saving Time on the trading platform) on the expiry date, positions will be automatically rolled over to the next month contract. The rollover is essentially a close and re-open of a position. The closing level will be the last traded price at or prior to the market-close. Therefore, a rollover adjustment will be made to reflect the difference between the expiring contract price and the new contract price.

<u>Hold long positions of USOIL Futures CFD – Rollover December 2021 to January 2022 on October 18, 2021</u>

<table><tr><td>Expiry Date</td><td>October 18, 2021</td></tr><tr><td>December 2021 USOIL Futures CFDs Prevailing Market price</td><td>USD 82.08 (Bid) / 82.23 (Ask)</td></tr><tr><td>January 2022 USOIL Futures CFDs Prevailing Market price</td><td>USD 83.74 (Bid) / 84.02 (Ask)</td></tr></table></td><td>0.1 x 1,000 x USD (82.08 – 84.02) = - USD 194.00</td></tr>
</table>

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Rollover adjustment = Lot Size x Futures Contract Size X (BID price of Current Contract Month – ASK price of Next Contract Month)	
Closing the Position(s)	
On October 28, 2021, the price of USOIL Futures CFDs – January 2022 has climbed up to USD 88.58 (bid)/ 88.64 (ask) as being quoted on the AETOS platform, and you decide to close the position at the quoted price as the trade has moved in your favour.	0.1 X 1000 X USD 88.58 = USD 8,858.00
Your gross profit is the difference between the opening position and the closing position	USD 8,858.00 – USD 7,714 = USD 1,144.00
Your total net gain is the gross profit plus/less the Rollover Adjustment (if applicable).	USD 1,144.00 – USD 194.00 = USD 950.00

Summary: In the above example, you will have to deposit at least USD 771.40 as your Initial Margin on this trade and make a profit of USD 950.00.

On the contrary, if you hold a short position of USOIL Futures CFD over night on the expiry date, Rollover Adjustment will be calculated in the formula as follows:
Rollover Adjustment = (Bid price of Next Contract Month - ASK price of Current Contract Month) x Lot Size x Contract Size

Since futures contracts rollover contributes to a profit or loss booked into your account, it may reduce free margin to the level that is below the Margin Close-Out Amount. Therefore, a forced liquidation cloud be triggered to protect you from further investment losses due to the rollover. It is your responsibility to make yourself aware of the expiry date for any CFDs in which you deal.

Note: Futures CFDs don't incur overnight funding charges (referred to as Interest Adjustment or Swap Charge/Credit), but they might have wider spreads. Further contract specifications of AETOS Commodity CFDs can be found on AETOS official website at www.aetoscg.com

6.2 Index CFDs

AETOS offers a wide range of US, UK, Europe, Australia and Asia Indices allowing you to deal in anticipated market trends rather than individual shares. AETOS Index CFDs are valued based on the number of units per index point of the Underlying Index, the Index CFDs trading operates in the same manner as Commodity CFDs, except the Underlying Instrument are Index. Same to AETOS Commodity CFD products, you can trade on underlying cash and futures markets with AETOS Index CFDs. All Index Cash CFDs on AETOS online trading platform do not have an expiry date but will be subject to an overnight financing cost. All Index Futures CFDs automatically roll over to the next contract period on the expiry date in the same way to Commodity Futures CFDs unless you opt out the rollover by closing your positions before the market-close on the expiry date. The expiry dates are set in the **AETOS Futures CFD Rolling & Trading Schedule** which can be found on the official website. The price of the new contract might be significantly different from the expiring contract and the market might move in a direction that is unfavourable to you. A Margin call or a Forced Liquidation could be triggered due to the rollover adjustment or price gap arising from the rollover. See the section below titled "**Margin Calls**" for more detail.

Further contract specifications of AETOS Index CFDs can be found on AETOS official website at www.aetoscg.com

6.3 Share CFDs

Share CFDs trading operates in the same manner as Margin FX trading, except the Underlying Instrument is share. Trading Share CFDs does not entitle you the ownership of the Underlying Instrument. This includes the rights to vote, attend shareholder meetings, or receive the issuer's reports, nor can you direct us to act on those rights. Other benefits, such as participation in shareholder purchase plans and discounts are also unavailable.

When you trade share CFDs with us, you deal at the market bid or ask price. We will charge a commission based on the underlying notional value, in much the same way as if you were buying shares. Share CFDs are also subject to financing cost (referred to as interest adjustment or swap charge/credit in this PDS), which is in the same manner as the interest adjustment in Foreign Exchange trading with the exception that the 3-days overnight charge or credit is counted on Friday.

In share CFDs trading, contract size of 1 lot = 1 share.

Opening the Position(s)	
Buy 1000 shares (lots) of a2Milk Share CFD at ask price 18.09: Contract Value = lot x contract size x market price	1,000 x 1 x 18.09= AUD 18,090.00 (Contract Value)
A commission is subject to be charged AUD 7 or 0.07% of the contract value when you opened the position whichever is greater.	1,000 x 1 x 18.09 x 0.07% = AUD 12.66 (>7)
The leverage level set on a2Milk is 5:1. That means that AETOS requires an Initial Margin to be deposited into AETOS' Trading Account, which is 20% of the contract value.	AUD 18,090.00 x 20% = AUD 3,618.00 (Initial Margin)
AETOS earns a Spread on the difference between the bid and ask prices it quotes to you. In this example, the Spread is AUD 0.04, which amounts to AUD 40.00 in contract value. It is built into the price when you clicked "buy" and again when you click "sell".	1,000 x (18.09 – 18.05) = AUD 40.00
Interest Adjustment	
When a position is held open overnight (when it passes 20:59:59 GMT during Daylight Saving Time on the trading platform), you have entitled to an Interest Adjustment which is calculated based on the end of day price of the shares. However, for the simplicity in our example, we will use the open price as end of day price. The overnight funding rate can be found on the Cost and Product List page of AETOS official website. Example: If the overnight funding rate of buying a2Milk is -2.61%. You buy 1000 lots of a2Milk Stock CFD.	1,000 x1 x 18.09 x (-2.61%/360) = - AUD 1.31

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Interest Adjustment= Contract Value x Buy Swap Rate/360	
Closing the Position(s)	
The next day the price of a2Milk has increased by AUD 1.00 to 19.05 (bid) / 19.09 (ask). The trade has moved in your favour and you decide to close your position.	1,000x 1 x 19.05 = AUD 19,050.00
A commission is subject to being charged at AUD 7 or 0.07% of the contract value when you closed the position whichever is greater.	1,000 x 1 x19.05 x 0.07% = AUD 13.33 (>7)
Your gross profit is the difference between the opening position and the closing position.	AUD 19,050 – AUD 18,090 = AUD 960.00
Your total net gain is the gross gain plus/less the costs and Interest Adjustment (if applicable). The Spread was built into the price and included AUD40.00 in this example.	AUD 960.00 – AUD 1.31 - AUD 12.66 - AUD 13.33 = AUD 932.70

Summary: In the above example, you will have to deposit at least AUD 3,618.00 as your Initial Margin on this trade and made a profit of AUD 932.70. On the contrary, if the price of a2Milk Share CFD has decreased by AUD 1.00 instead of increased, you would have made a loss of AUD 1065.91.

Share CFDs are subject to Corporate Actions such as dividends, rights issues, stock split, etc. AETOS will make corresponding adjustments, if any, to your Trading Account to reflect the impact of the Corporate Action, which include but are not limited to dilutive or accretive actions and declaring dividends. AETOS will adjust your Trading Account in a timely manner and take reasonable steps to reflect the adjustment on your Trading Account.

For dividends, long position(s) will have a dividend adjustment credited to your Trading Account while short position(s) will have a dividend adjustment debited from your Trading Account.

Please Note: The Margin Requirement for a Share CFD will vary according to volatility and market conditions.

6.4 ETFs CFDs

AETOS offers ETFs CFDs where the underlying reference is the exchange traded funds ("**ETFs**"), an investment vehicle mirroring the performance of pooled assets. AETOS ETFs CFDs allow you to speculate on the ETFs issued on the U.S, markets with application of leverage. Same to the trading mechanism of the other CFD products provided by us, when you trade on our ETFs CFDs, you do not have an ownership to the underlying ETF but only speculate on its price movements. Overnight financing cost (referred to as interest adjustment or swap charge/credit in this PDS) is applicable to ETF CFDs in the same manner as the interest adjustment in FX CFDs with the exception of that the 3-days overnight charge or credits is counted on Friday.

In ETF CFDs trading, contract size of 1 lot = 1 ETF contract.

Example

You expect that the rally of iShare Russell 2000 ETF will continue during the following days and therefore decide to capitalize on this market trend. At the moment, IWM CFDs is quoted at 182.27 (bid)/ 182.28 (ask) and you decide to enter into 500 units (lots) IWM CFDs at ask price 182.28.

Opening the Position(s)	
Buy 500 units IWM ETF CFD at ask price Contract Value = lot x contract size x market price	500 x 1 x 182.28 = USD 91,140.00 (Contract Value)
A commission is subject to be charged at 2 US Cents per lot with a minimum of 10 USD when you opened the position.	500 x USD 0.02 = USD 10.00
The leverage level set on AETOS ETF CFDs is 5:1. That means AETOS requires an Initial Margin to be deposited into AETOS's Trading Account, which is 20% of the contract value.	USD 91,140.00 X 20% = USD 18,228.00
AETOS earns a Spread on the difference between the bid and ask prices it quotes to you. In this example, the Spread is USD 0.01 and it builds into the price when you "buy" and again when you click "sell".	500 x (182.28 – 182.27) = USD 5.00
Interest Adjustment	
When a position is held open overnight (When it passes 20:59:59 GMT during Daylight Saving Time on the trading platform), you are entitled to an Interest Adjustment which is calculated based on the end of day price of the ETF CFDs. At the end of trading day, IWM ETF CFD is quoted at 185.25. The overnight funding rate can be found the on products specification on AETOS trading platform. Example: If the overnight funding rate of buying IWM CFD is -3.26%, you buy 500 lots of the IWM ETF CFD. Interest Adjustment = Contract Value x Buy Swap Rate/360	500 x 1 x 185.25 x (-3.26%/360) = -USD 8.39
Closing the Position(s)	
On the next day, the price of IWM ETF CFD has increased to USD 192.25 (Bid)/192.26 (Ask). The trade has moved in your favour and you decide to close your position.	500 x 1 x 192.25 = USD 96,125.00
A commission is subject to charge at 2 US Cents per lot with a minimum of 10 USD when you closed the position.	500 x USD 0.02 = USD 10.00
Your gross profit is the difference between the opening position and the closing position.	USD 96,125.00 - USD 91,140.00 = USD 4,985.00

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Your total net gain is the gross gain plus/less commission cost and Interest Adjustment (if Applicable). The Spread was built into the price and included USD 5.00 in this example.	USD 4,985.00 - USD 10.00 - USD 8.39 - USD 10.00 = USD 4,956.61

You may refer to Trading Schedule table published on AETOS website for the market hours of our ETF CFDs. All trading hours are stipulated in GMT, Due to the observance of Daylight-saving Time, trading hours are subject to change from time to time.

You can do bidirectional trading with AETOS ETF CFDs.

7. Margin requirements

Current Margin is a specified amount of funds required to trade and maintain your open position(s) ("Current Margin"). The Current Margin required is typically a percentage of the notional contract amount. The Current Margin required to hold a position is not a fee, but rather a security deposit that you are required to keep with us while your position(s) is open. The Current Margin required to hold your position(s), will vary from the Initial Margin and will also vary in accordance with the Instrument you are trading.

Initial Margin requirements

Initial Margin is the specified amount of funds required when you open a new CFDs position (including a Margin FX position). The Initial Margin is typically calculated as a percentage of the notional contract amount. The minimum Initial Margin requirements of AETOS products range from typically between 3.33% to 100% depending on the Underlying Instrument.

The Initial and Current Margin requirements are set out on our trading platform and at www.aetoscg.com. Margin requirements will also vary according to volatility and market conditions. A higher Initial Margin may be payable in certain circumstances and Current Margin may increase in the event of adverse market movements in order to keep a position open.

Net Equity

The Net Equity of your Trading Account will fluctuate according to the funds you have deposited into your Trading Account, the trading conducted and the position(s) you held. The Net Equity of your Trading Account is constantly calculated in line with market movements.

The Net Equity of your Trading Account is used to assess your equity for use as Current Margin against current position(s), to meet Initial Margin on any new position(s) you may wish to take and is also assessed against the Margin Close-Out Amount. It is your responsibility to ensure that your Account is sufficiently funded at all times, especially during volatile periods.

8. Margin Calls

ASIC Benchmark 7 – Margin Calls

This section sets out AETOS' policy on Margin Calls.

If the value of an open position moves against you, you will be required to 'top up' the Initial Margin and meet Current Margin requirements. AETOS is entitled to request further deposits (additional margin) from you immediately, and you may be subject to a margin call i.e to pay additional margin ("Margin Call") (automatically from your Trading Account).

AETOS is not required to make a Margin Call. However, if a Margin Call is made, it will be made electronically via the trading platform. It is your responsibility to ensure that your Trading Account is sufficiently funded and that you maintain sufficient level of margin at all times, especially during volatile periods.

In the event that you do not maintain a sufficient level of margin, AETOS will begin to automatically close your open positions without notice to you (see the 'Forced Liquidation' section below). AETOS must do this by law and in order to minimise trading risk and deduct the resulting realised loss from your remaining funds held by us.

Forced Liquidation

If the Net Equity of your Trading Account falls below the Margin Close-Out Amount, the trading platform will automatically start closing your open positions in respect of that Trading Account as soon as market conditions allow without notice to you until the first of the following occurs:

(a) the Net Equity of the relevant Trading Account is equal to, or greater than, the Margin-Close-Out Amount for all of your remaining open positions in respect of the Trading Account.

(b) all open positions that were issued on or after 29 March 2021 have been terminated.

This process is electronic and AETOS does not actively monitor your positions or Trading Account.

Please note: Interest Adjustment or Rollover Adjustment may also induce a Margin Call and result in the automatic closure of your position(s).

Example

You deposited USD 4,200.00 to cover your Initial Margin requirement. You think that the EUR will depreciate against the USD in the near future. You see that the price quoted by AETOS on the EURUSD Currency Pair is 1.24701 (bid) / 1.24719 (ask). On the next day the price of EURUSD has increased by 263 pips to 1.27331 (bid) / 1.27349 (ask). The "bid" price is the sell price, so you sell a contract of EURUSD, at AETOS' standard contract size, which is 100,000 (1 lot). You want to buy it later at a lower price, in order to close your position(s).

Opening the Position(s)	
Sell 1 lot EURUSD at bid price: Contract Value = lot x contract size x market price	1 x 100,000 x 1.24701 = USD 124,701.00 (Contract Value)
The Margin Requirements set on your Trading Account is 3.33%. It means that AETOS requires an Initial Margin from you to be deposited into AETOS' Trading Account, which is 3.33% of the contract value.	USD 124,701.00 x 3.33% = USD 4,156.70 (Initial Margin)
AETOS earns a Spread on the difference between the bid and ask	1 x 100,000 x (1.24719 - 1.24701) = USD 18.00

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price it quotes to you. In this example, the Spread is 0.00018 (known as 1.8 "pips"), which amounts to USD 18.00. It is built into the price when you clicked "sell" and again when you click "buy".	
Interest Adjustment	
When a position is held open overnight (when it passes 20:59:59 GMT during Daylight Saving Time on the trading platform), you are credited or charged an interest. Interest Adjustment is calculated based on the end of day price of the product. However, for the simplicity in our example, we will use the open price as end of day price. The Swap Rate can be found on the Cost and Product List page of our website. Example: If Swap Rate of selling EURUSD is 0.70%, you sell 1 lot of EURUSD, Interest Adjustment = (Contract Value x Swap Rate) / 360	(1 x 100,000 x (0.70%) x 1.24701) / 360 = USD 2.42
Forced Liquidation	
Next day the price of EURUSD has increased by 263 pips to 1.27331 (bid) / 1.27349 (ask). The trade has moved against you, your total Net Equity has dropped below 50% of the Margin Requirements and triggered Forced Liquidation. AETOS will automatically close your position(s) to limit the trading risk.	1 x 100,000 x 1.27349 = USD 127,349.00
Your total loss is the gross loss plus/less and Interest Adjustment (if applicable). The Spread was built into the price and included USD 18.00 in this example.	(USD 124,701.00 – USD 127,349.00) + USD 2.42 = - USD 2,645.58

Summary: In the above example, you deposited USD 4,200.00 to cover your Initial Margin requirement, and when you had a floating loss of USD 2,645.58, your total Trading Account Net Equity has dropped below 50% of the Margin Requirements and triggered the Forced Liquidation.

Note: More detailed explanations are set out under the heading "**The Costs in using AETOS products**" below. Forced Liquidation will operate in the same way if the Underlying Instrument was Commodities, Indices etc.

9. Managing Risks with Stop and Limit orders

AETOS offers various Non-guaranteed Orders such as Stop Orders (including conventional Stop Orders and Trailing Stops), and Limit Orders, each called an 'Order', that allow you to open or close Margin FX Contracts or CFDs when our quote for that Instrument reaches or goes beyond the level of your Order. In the case of orders to open, these Non-guaranteed Orders can apply for various periods which must be specified by you or set by us. You can cancel or amend the level of an Order with our agreement at any time before our quote or the relevant market reaches or exceeds your current specified level. We also reserve the right to aggregate or to work the instructions we receive to open or to close out Margin FX Contracts or CFDs, including Stop Orders. It is your responsibility to ensure that all such Orders are cancelled and re-entered if needed.

It is important to understand that when you place an Order, you are dealing with us as principal, you are not dealing on the Underlying Market. While we seek to execute your Order at the level that might have been achieved had a similar order been placed on the Underlying Market, it may not be possible to determine what such a level might have been. We do not guarantee your Order will be executed at any such level. We will exercise our reasonable discretion to determine when Non-guaranteed Orders are triggered and the level at which they are executed. It is your responsibility to understand how an Order operates before you place any such Order with us.

Examples are set out below:

Stop-Loss

A Stop Loss enables you to pre-define the price that you would like to close your position(s). Because the Stop-Loss order engages a Market Order when it is triggered, you may receive a better or worse price than the price you have requested.

> **Example:** You have a long position of EURUSD with the open price of 1.24619. You set a Stop-loss for this position, the stop loss price of which is 1.11821. If the price of EURUSD drops to 1.11821 or below, the Stop-loss order will be triggered and the position will be closed automatically at the best prevailing market price at the time of execution.

Buy Limit

Buy limit is a trade request to buy at the Ask price that is equal to or lower than the buy limit price. The current price level is higher than the value in the order. Usually this order is placed in anticipation of a price drop followed by a rebound.

> **Example:** the market price of EURUSD (Ask price) is 1.24619 and you place a 20 pips buy limit level at 1.24419. If the EURUSD falls to 1.24419 or below, the order will be executed and you will take a long position of EURUSD at the best prevailing market price at time of execution, after which you would make a gain if the market price rebounds and make a loss if the market price continues to go down.

Sell Limit

Sell limit is a trade request to sell at the Bid price that is equal to or higher than the sell limit price. The current price level is lower than the value in the order. Usually this order is placed in anticipation of a price rise followed by a fall back.

> **Example** The market price of EURUSD (Bid price) is 1.24601 and you place a 20 pips sell limit level at 1.24801. If the EURUSD goes up to 1.24801 or above, the order will be executed and you will take a short position of EURUSD at the best prevailing market price at time of execution, after which you would make a gain if the market price falls back and make a loss if the market price continues to go up.

Buy Stop

Buy stop is a trade request to buy at the Ask price that is equal to or higher than the best prevailing market price at time of execution. The current price level is lower than the value in the order. Usually this order is placed in anticipation of a continuous price rise.

> **Example:** The market price of EURUSD (Ask price) is at 1.24619 and you place a 20 pips buy stop level at 1.24819. If the EURUSD goes up to 1.24819 or above, the order will be executed and you will take a long position of EURUSD at the best prevailing market price at time of execution, after which you would make a gain if the market price continues to

rise and make a loss if the market price falls back.

Sell Stop

Sell stop is a trade request to sell at the Bid price that is equal to or lower than the best prevailing market price at time of execution. The current price level is higher than the value in the order. Usually this order is placed in anticipation of a continuous price fall.

Example: The market price of EURUSD (Bid price) is at 1.24601 and you place a 20 pips sell stop level at 1.24401. If the EURUSD goes down to 1.24401 or below, the order will be executed and you will take a short position of EURUSD at the best prevailing market price at time of execution, after which you would make a gain if the market price continues to fall and make a loss if the market price rebounds.

Trailing Stop

Trailing Stop is a method to move a Stop-Loss level automatically.

Example: You are having a long position of EURUSD at the price of 1.24619, you set a 30 pips trailing stop order. The stop price is 1.24319. The EURUSD then rises by 35 pips to 1.24969, your stop price will automatically move up to 1.24669, locking in your profits. The stop will continue to rise if the EURUSD rises. If the EURUSD falls, the stop will remain at 1.24669. If the EURUSD falls to 1.24669, your stop will be activated, and your position will be closed at the best prevailing market price at the time of execution.

Usually, this order is placed to lock in trading profits.

10. Conversion of Currency

The profit or loss of the Instrument you are trading may be denominated in a different currency other than your Trading Account Base Currency. This means that as well as having a direct exposure to your chosen Instrument, you may also be inadvertently exposed to the fluctuations between the currency in which your profit or loss is measured, and your Trading Account Base Currency. In most cases, the rate in which a conversion occurs is the rate that is displayed on your Trading Platform, although we do reserve the right to place an additional fee or Spread on the conversation rate. If there is no direct rate of exchange between your Trading Account Base Currency and the denomination of your Instrument Currency, a third currency (generally USD) will be used to make the conversation.

11. Significant Benefits

The significant benefits of using AETOS' services are:

- **Hedging**
  You can use AETOS' trading facilities to hedge your exposures to the Underlying Instruments. Any profit (or loss) you make using AETOS' trading facilities would be offset against the higher (or lower) price you physically have to pay for the Currency, Index, Commodity or other Underlying Instrument at the future date.

- **Speculation**
  In addition to using AETOS' trading facilities as a hedging tool, you can benefit by using the quoted Underlying Currency or CFD prices offered by AETOS to speculate on changing price movements. Speculators seek to make a

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profit by attempting to predict market movements and buying a contract that derives its value from the movement of an Underlying Currency, Commodity or other instruments for which they have no practical use. The examples above illustrate trades where a client is entering into a speculative trade, based upon a belief that the market will move in a particular direction.

- **Access to the Foreign Exchange markets at any time**
  When using AETOS' online trading platform you gain access to and trade on, systems which are constantly updated in real time. If for some reason AETOS' systems are unavailable, you can contact us by telephone using AETOS' contact details at the top of this PDS and make telephone orders.

- **Real time streaming quotes**
  AETOS' online trading platforms provide real time quotes. You may check your Trading Accounts and position(s) in real time, and you may enter into Currency and CFD trades based on real-time information.

- **Control over your Trading Account and position(s)**
  AETOS allows you to place Stop-loss limits on your trades while using AETOS's Trading facilities, which means that AETOS will close out your position(s) in accordance with your Stop-loss order if the market moves against you. However, please refer to the risk factors set out below, which highlight the risk to you that in a volatile market AETOS may not be able to close out your position(s) until after the Stop-loss limit is exceeded. If this occurs, you may lose more than you deposited. In terms of Retail clients, AETOS' recourse is limited to the money held in your Trading Account, including monies arising from a Forced Liquidation

12. Significant Risks

There are a number of risks in trading Margin FX Contracts and CFDs., which may lead to unfavourable financial outcomes for you. It is your responsibility to oversee any risks associated with your investment with AETOS. You should seek independent legal, financial and taxation advice prior to commencing trading activities and you should not use AETOS' services unless you fully understand the products and the benefits and risks associated with them. Some of the risks associated with using AETOS Margin FX Contracts and CFDs trading facilities include:

- **Unforeseen Circumstances**
  If AETOS is unable to perform AETOS' obligations to you due to the circumstances outside our control, then it may suspend its obligations to you. For example, during periods of significant market disturbance, it may be impractical or impossible to trade in relevant financial markets. AETOS will inform you if any of these events occur.

- **Market Volatility**
  Financial markets are subject to many influences which may result in rapid price fluctuations. Due to the volatility of

this market, there is no Margin FX Contracts or CFDs transaction, or stop loss order that can be considered as "risk-free" on AETOS' online trading platform.

AETOS recommends you to always oversee your transactions, regards to the potential levels of the volatility in the Foreign Exchange and underlying markets. The prices of our products will reflect on the rapidly market fluctuation, and you can limit some of the downside risks by using stop-loss orders. AETOS will close your position(s) if the Underlying Instrument reaches the level specified by you when you are using stop-loss orders. However, a substantial time lag may occur between order placement and execution as a result of market volatility. And this may lead to 'gapping', which means that the prices of our products suddenly shift from one price to another, as a consequence of market volatility. AETOS are not able to guarantee that stop-loss orders will be successfully limiting your risk; it might even rise higher than you initially anticipated.

- **Leverage Risk**

  Trading Margin FX Contracts and CFDs involves a high degree of leverage. You can outlay a relatively small Initial Margin which secures a significantly larger exposure to an Underlying Instrument. The use of products like this magnifies the size of your trade, so your potential gain and loss are equally magnified. You should closely monitor all of your open position(s). If the market moves against you and you do not have adequate funds on your Trading Account, AETOS may automatically close out your position(s) once a predetermined level set by us (the Margin Close-Out Amount) is triggered (refer to the example of Forced Liquidation).

  Using credit cards to invest in Margin FX Contracts and CFDs trading will pose a double leverage risk to you. This means that you use the funds, which you borrowed from a bank, to invest in a leveraged financial product (e.g. CFD products). You may lose your capability of paying your credit cards if you lose in your investment.

- **Counterparty Risk**

  You are trading with AETOS as the counterparty to all trades you undertake. As AETOS is the product issuer, you are exposed to the financial and business risks, including the credit risk associated with trading with AETOS.

  The products in this PDS are not traded on an exchange, which means they are over-the-counter('OTC) Derivatives, which is non-transferable. This means you will enter into trades directly with AETOS, and you are subject to AETOS' credit risk. If AETOS comes insolvent, AETOS may be unable to meet its obligations to you.

  If you require further information about AETOS' financial position, please contact us by referring to the details at the start of this PDS and request a free copy of AETOS' financial statements.

  AETOS may choose to limit its exposure to its clients by entering into matching transactions with hedging counterparties as principal in the wholesale market. However, AETOS gives no assurances as to the solvency or performance of any hedging counterparty (which may include one of AETOS' related entities) that AETOS deals with. Where this occurs, AETOS may become an unsecured creditor of the hedging counterparty.

ASIC Benchmark 3 & 4 – Counterparty Risk

Before entering into a relationship with a new hedging counterparty, AETOS undertakes a due diligence process. This process will include a review of a number of key factors that relate to the risk of dealing with the counterparty. These include the counterparty's credit rating, reputation, market presence and funding arrangements. The names of the Third-party liquidity providers are shown in AETOS's written Hedging Policy. AETOS's written Hedging Policy is updated regularly, and you can obtain a free copy of the written Hedging Policy through AETOS official website at www.aetoscg.com.

AETOS has a written policy to maintain adequate financial resources, which sets out how it monitors compliance with AETOS' financial requirements, as well as how it conducts stress testing to ensure it holds sufficient liquid funds to withstand significant adverse market movements.

You can obtain a summary of AETOS' latest financial statements by contacting us on the details at the start of this PDS.

- **System Risks**
  Errors and/or failures may occur in respect of technology when trading online. AETOS will do its best to make our trading facilities available when you require, but we cannot guarantee that it will be available continuously. Disruptions such as computer networks, maintenance, repairs, upgrades or external events may lead to trade execution problems. AETOS manages this risk by having advanced IT systems and backup measures.

- **Cyber Security Risks**
  Cyber security risks are a major threat to businesses around the world. AETOS cannot guarantee against third party interference to AETOS official website and trading facility, or to the technology provided by third parties upon which AETOS relies. This means that you may be exposed to issues arising from any third-party interference which may occur. Examples include unauthorised access to AETOS' or your IT systems or devices, data breaches, business interruption, errors in pricing feeds or inability to access your Trading Account or close position(s). In the worst-case scenario, financial loss may occur. AETOS takes this risk seriously and manages it by ongoing monitoring of AETOS IT systems, protection and backup measures (including virus protection software). You can limit your risk by ensuring that you have up-to-date software for the devices that you use to access AETOS' trading facilities and ensuring that you use strong passwords which are kept confidential and secure.

- **Fees and Charges**
  It is possible that you enter into a trade with us and the price of the Underlying Instrument moves in your intended direction, but you still end up with less than you started after closing your position(s). This can happen because of the combined effect of the Spread between bid and ask prices, rollover adjustment and the financing cost which could apply on consecutive days that a contract is held open. Commission upon the execution of any requested financial product transaction at such rate that is set by AETOS.

- **Use and Access to AETOS official website and Trading facilities**
  You are responsible for making sure that you are able to access the AETOS official website and trading facilities. This responsibility includes having access to a device that can connect to the official website, access to the trading facilities, and maintaining the device so that it functions properly. AETOS is not responsible for any loss that you sustain as a result of being unable to access the Internet.

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- **Suspension or trading halt of the Underlying Instrument**

ASIC Benchmark 6 – Suspended or halted Underlying Instrument

In the event of trading in an Underlying Instrument being suspended, AETOS has discretion to re-price open position(s), close out position(s), or change the Margin Requirements on a position. AETOS would widen the Spread if there was an increased risk of illiquidity in the market in which the Underlying Instrument is traded.

- **Latency and Price Feed Risk**

  Internet connectivity delays and price feed errors sometimes create a situation where the prices displayed on AETOS' trading screen do not accurately reflect market rates. AETOS is not responsible for any loss which you sustain as a result, and AETOS may take action to recover any loss sustained by us as a result, including repairing, reversing, opening, and/or rolling over new or existing position(s).

- **Third Party Trading**

  Third party trading can be risky. Third party trading services are often called "money managers", "expert advisers" or "mirror trading plugins". They may enable your Trading Account to mirror trades made by third party asset managers. They may claim to exploit price latency across platforms or markets. They may promise exceptional returns. AETOS' platforms may allow you to plug in or otherwise connect to third parties that are licenced by ASIC. Some providers of third-party plugins may charge you fees, and others do not. Regardless of AETOS' approval, AETOS is not responsible for, and will not indemnify you for loss, which arises out of your reliance on any statements made by their makers or promoters, or any loss incurred in connection with third party plugins that you use.

  Key risks when using third party trades or software include, but are not limited to:

  - You can lose control of your trades and suffer financial loss.
  - Any software may stop working and you are stuck with open position(s) and you suffer financial loss.
  - You can lose more money than your initial investment but for retail clients' loss, AETOS' recourse is limited to the funds in the account which can include realised losses/gains.
  - It may result in you being margin called (see section 8 of this PDS titled "**Margin Calls**") and your position(s) may be liquidated.
  - Some are offered by fraudulent or illegal/underground entities in remote parts of the world.
  - Some create or are otherwise affected by price latency which may result in significant losses on your Trading Account due to inaccurate pricing.

  If promoters of these plugins or trading services make promises that are too good to be true, then you should avoid them. **You should never provide your Trading Account username or password to a third party without AETOS' express consent – to do so would be a breach of the Terms & Conditions. You are solely responsible for managing the risks (including the risk of loss) associated with using third parties.**

13. The Costs in using AETOS products

Please refer to AETOS' current Financial Services Guide (***FSG***) for a description of how AETOS, its employees and related parties are paid, and for information about the costs, fees and commissions that may be payable in relation to the products described in this PDS. You can find this information (with worked examples) in the current FSG which is available on AETOS official website. You can also contact us to request a free copy of the FSG by using the details at the start of this PDS.

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14. How does the online trading platform work?

To make a trade using AETOS' online trading platforms:

- You must first register with AETOS by filling out the registration form from AETOS official website www.aetoscg.com by providing requested client information and setting an AETOS online username and password. The password you set during registration is also the trading password for your online Trading Account.

- Secondly, you must fill out the AETOS' Trading Account opening form which was either provided to you at the same time as this PDS or can be located at www.aetoscg.com. A pre-condition to your successful registration is an acknowledgement by you that you have read this PDS, the FSG and that you have read and agreed to be bound by AETOS Terms & Conditions. Another pre-condition is that you meet AETOS' client qualification criteria, which is explained in section 3 of this PDS in more detail. There may also be other terms and conditions that you will need to agree to if you are outside of Australia.

- Once your Trading Account is successfully opened, you will receive the Trading Account number through the email you registered at the AETOS official website. The trading password is set by you when you register online.

- You can download the AETOS online trading platform software from AETOS official website www.aetoscg.com. You can then use your Trading Account number and password to login after installation.

- Once logged in, numerous windows will pop up on the platform. In order to place a trade, you first select a Foreign Exchange Currency Pair, Index, Share, Commodity or ETFs from the Market Watch window. For example, you can choose the Currency Pair of EURUSD. Once you have selected a Foreign Exchange Currency Pair, Index, Share, Commodity or ETFs, you need to select the amount you wish to invest by buying/selling the intended number of contracts.

- Once the trade has been executed, the particulars of that trade will be communicated to you electronically via the trading platform or by email. You can transfer money into or out of your Trading Account, subject to AETOS Terms & Conditions, which are set out on AETOS official website.

15. How does AETOS handle your money?

Money paid by Retail Clients (including Sophisticated Investors) to AETOS for their designated Trading Accounts is deposited into Client Money Accounts that are segregated trust accounts maintained and operated by AETOS in accordance with the Australian law.

ASIC Benchmark 5 – Client Money
This section explains AETOS' client money policy, including how AETOS deals with your money and when AETOS makes withdrawals from your Trading Account. It also mentions the counterparty risk associated with the use of your money.

AETOS holds your money in the Client Money Accounts with other retail client money and Sophisticated Investor client money, and we do not use those client money to meet obligations we incur when hedging with other counterparties, or for any of other means prohibited by the Australian Client Money Rules. AETOS is not liable for the solvency or any act or omission of any bank holding the Client Money Accounts.

By using AETOS' services, you relinquish the right to any interest on money deposited in AETOS' Client Money Accounts. As a retail client or Sophisticated Investor trading with AETOS, your Money will be held in the Client Money Account until you request a withdrawal, or otherwise provide us with a legal right to that money because of entitlements (such as outstanding fees) owed to us or in such other circumstances as referred to in AETOS Terms & Conditions, which are set out on AETOS official website.

Example
If you close a position and incur a loss, your Trading Account balance will be debited instantly.

Example
If you hold a position overnight [i.e. holding a position from 21:59:59 GMT onwards (20:59:59 GMT during U.S. Daylight Saving Time)], and you are credited or charged an overnight Financing Cost (referred to as interest adjustment or swap charge/credit in this PDS), then that money is credited or deducted from your Trading Account balance instantly.

AETOS does not use Retail Client or Sophisticated Investor client money to meet its capital purposes or to hedge with its liquidity providers. AETOS uses funds from its own operating accounts for these purposes. And we may also use Wholesale Client funds for these purposes, subject to our Terms and Conditions. The equity balance that AETOS holds in the Client Money Accounts will display in your Trading Account, in our Client Money Account.

Client Money includes:

- Initial Margin; plus
- Profits you have won but not withdrawn; plus
- Running profits in any open position(s); minus
- Losses from past trades; minus
- Running losses accrued against any open position(s); minus
- Any fees or other amounts we are entitled to.

Sometimes there may be a discrepancy in the balance shown to you via the online trading platform, and the amount of client money we hold. That may be because of a pricing feed error, uncleared funds, software malfunction, if we have extended credit to you, or if we otherwise take action under our Terms and Conditions, which may include freezing your Trading Account if you, say, breach the Terms and Conditions.

You can ask us for records about the money we have received from you, on your behalf of, or for your benefit, where that money was client money. We will provide you with the records within 5 business days or such longer period as we may agree to in writing, with you.

Counterparty risk
There is also a counterparty risk that you may lose some or all of your money if there is a deficiency in the designated segregated Account. See the section above titled "**Significant Risks**" for more information concerning counterparty risk.

Unless you are a Wholesale Client, AETOS does not use client money to hedge, counteract or offset the risk associated with a derivative transaction entered into between you and us.

16. Terms & Conditions

AETOS Terms & Conditions, are set out on AETOS official website www.aetoscg.com and must be read and agreed to before a contract is entered into. If you are outside of Australia, there may be other terms and conditions you will be required to sign or acknowledge.

When you use AETOS' services you will be bound to AETOS Terms & Conditions as amended from time to time, along with any other terms you are required to sign or acknowledge (for example, if you are outside of Australia). However, in the event of inconsistency, the terms in the legal documents described below will rank according to the following priority, to the extent of any inconsistency:

- This PDS
- AETOS Terms & Conditions
- Account Opening Form

The information in this PDS is subject to change from time to time and is up to date as at the date stated at the start of this PDS.

Information in this PDS that is not materially adverse to users of AETOS products is subject to change and may be updated via AETOS official website www.aetoscg.com. You can access that information by visiting the website, or telephoning AETOS and asking for an electronic or paper copy. You can also access the website which may contain, from time to time, other information about AETOS products.

There is no cooling-off period for any product offered by us.

You must provide all information to AETOS which it reasonably requires you to comply with any law in Australia or any other country. In particular, you must provide AETOS with satisfactory identification and/or identification information before you can use AETOS products or services. AETOS may delay, block or refuse to enter, adjust or complete a transaction if AETOS believes on reasonable grounds that making the payment may breach any law in Australia or any other country, and AETOS will incur no liability if it does so. AETOS may disclose any information that you provide to a relevant authority where AETOS is required to do so by any law in Australia or any other country.

Unless you have disclosed to AETOS that you are acting in trustee capacity or on behalf of another party, you warrant that you are acting on your own behalf when obtaining services from AETOS.

When you use AETOS' services, you are promising that you will not breach any law in Australia or any other country.

AETOS reserves the right to suspend the operation of AETOS official website and online facility or any part or sections of them. In such an event, AETOS may, at its sole discretion (with or without notice), close out your open position(s) at prices it considers fair and reasonable.

AETOS may impose volume limits on client Trading Accounts at its sole discretion.

17. Trading Facilities

AETOS is able to provide Margin FX Contracts and CFDs trading facilities through its trading platform. Dealers in AETOS Dealing Room will also accept orders in the event of the trading platform being unable to take orders. AETOS' online trading platform is an internet-based tool for you to trade.

18. Providing Instructions by Telephone

AETOS only offers telephone services if its online trading platform becomes unavailable for some reason. When providing instructions by telephone, you will need to provide us with adequate identification information to enable us to verify you as the account holder, and your calls will be recorded for compliance purposes.

19. Tax Implications

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

20. What are AETOS different roles?

AETOS is the product issuer. This means that AETOS issues products described in this document and does not act on behalf of anyone else.

AETOS is also the service provider. AETOS official website (and at times, AETOS Representatives) can give you general advice only and help you use the trading services.

21. What should you do if you have a complaint?

In the unlikely event of you having any reason to feel dissatisfied with any aspect of our service, you should notify our Customer Service Team as soon as possible by sending email at cs@aetoscg.com or call +61 (2) 9929 2100, as the vast majority of complaints can be dealt with at this stage. An acknowledgement will be given to you after we receive your complaint within 24 hours or one business day. Your complaint received by us will be first subject to AETOS internal dispute resolution ("**IDR"**) scheme.

If your matter is not resolved to your satisfaction after five business days, you may report it to our Compliance Department by email at compliance@aetoscg.com. AETOS will try to resolve your complaint within 30 calendar days of receiving your complaint. A written response ("**IDR Response**") with reasons and the outcome of your complaint will be provided to you within the 30 calendar days timeframe where:

- your complaint is not resolved within 5 business days of us receiving your complaint; or
- if you request a written response;

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If you are not satisfied with the final response issued by AETOS, you may refer the matter to the Australian Financial Complaints Authority (AFCA). AETOS is a member (ACFA Member ID: 29539) of the external dispute resolution scheme operated by AFCA.

You can contact the AFCA on 1800 931 678 (or +61 1800 931 678 if calling from overseas) or in writing at GPO Box 3, Melbourne, Victoria 3001, Australia. You can also contact the AFCA through their website: www.afca.org.au.

Find out detail about AETOS Complaint Policy, please visit the legal document section on AETOS website.

22. Dictionary

- **Account Base Currency** refers to the currency in which your Trading Account is denominated.
- **AFSL** means Australian Financial Services License that is issued by ASIC
- **ASIC** refers to the Australian Securities and Investments Commission.
- **AUD** refers to the Australian Dollar.
- **Base Currency** means the currency in which the Margin FX Contracts or CFDs is denominated. In the case of a Currency Pair, the Base Currency is the first quoted currency in a pair.
- **Business Day** refers to a day on which commercial banks are open for business (including dealings in Foreign Exchange) in Australia and the host countries of the relevant Currency, Index, Commodity or other Underlying Instruments (e.g. shares).
- **Contract for Difference (*CFD*)** is a leveraged financial Instrument that changes in value by reference to fluctuations in the price of an Underlying Instrument such as the price of gold or silver.
- **Contract Size** means the total monetary value of the instrument you are trading.
- **Currency Pair** refers to the value of one named currency relative to another named currency.
- **Exchange** means the financial market or exchange on which the reference price of the Underlying Instrument is quoted.
- **EUR** refers to the Euro – the official currency of the European Union.
- **Forced Liquidation** refers to the situation where your Net Equity has dropped below the Margin Close-Out Amount.
- **FSG** refers to the Financial Services Guide issued by AETOS.
- **FX or Forex** means Margin Foreign Exchange.
- **Hedging** is a strategy engaged by AETOS to manage exposure to client position(s) which involves the entering of its own position(s) with a Liquidity Provider(s).
- **Initial Margin** is the funds required to open a Position with AETOS.
- **Instrument** means the Margin FX Contracts or CFDs that is provided by AETOS. An Instrument is referred as a Symbol on the Trading Platform.
- **Interest Adjustment** are calculated daily on the overnight position(s) by applying the applicable interest rate to the daily closing value of the position(s).
- **Liquidity Provider(s)** means an external counterparty (company, bank or financial institution) that provides a buy and sell price (Liquidity) in a financial Instrument, security or asset, and can accept trades and orders for the purposes of risk management. This may also be referred to as a Hedging counterparty.
- **Margin Close-Out Amount** means a percentage (being at least 50%) determined by us, multiplied by the aggregate Initial Margin or Current Margin (whichever is higher) in respect of each of the open positions in your Trading Account.
- **Margin Level** refers to the correlation between your Net Equity and the margin required to maintain your position

held. It is calculated as a percentage by dividing your Net Equity by the Initial Margin required.

- **Net Equity** in relation to a Trading Account means the sum of all cash held in your Trading Account plus your unrealised profits (if any) less your unreaslied losses (if any) for all of your contracts that are connected to the relevant Trading Account.
- **PDS** means this Product Disclosure Statement.
- **Representative** includes a director or employee of AETOS, and a director or employee of any company related to AETOS, as well as any other entity that is appointed as an authorised representative of AETOS.
- **Retail Client** means a client within the meaning of 761G of the Corporations Act.
- **Rollover Adjustment** refers to the cost or credit that will be applied to client's Trading Account to reflect the difference in price between the expiring contract and the new contract when the Underlying Instrument is due for expiry.
- **Sophisticated Investor** has the meaning given to the term in section 761GA of the Corporations Act.
- **Spread** is the difference between bid and ask prices for a particular Underlying Instrument.
- **TMD** means the Target Market Determination.
- **Terms & Conditions** refer to the terms and conditions that you are required to agree to before you can use the products described in this PDS. They are available on AETOS official website www.aetoscg.com, and are incorporated by reference into the PDS. You can obtain another free copy of this document by contacting AETOS staff using the details at the start of this PDS.
- **T+0** refers to Transaction date plus 0 day
- **Trading Account** means the Trading Account of the client dealing in the financial products issued by AETOS, which is established in accordance with this Product Disclosure Statement, the Financial Services Guide, and the Terms & Conditions
- **Trading Account Base Currency** refers to the currency in which your Trading Account is denominated.
- **Underlying Instrument** means a Currency Pair, Index, Share, Commodity, ETFs or other financial asset type that trades in a financial market or Relevant Exchange to which Margin FX Contracts or CFDs relates.
- **USD** refers to the United States Dollar.
- **Wholesale Client** has the same meaning as in section 761G of the Act but does not include a Sophisticated Investor.

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