



**FX, Indices and Commodities
Contracts for Difference**

Synergy Financial Markets Pty Ltd

ABN 80 150 565 781

AFS Licence No. 403863

PRODUCT DISCLOSURE STATEMENT

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1. Important Information

1.1 This Product Disclosure Statement

This Product Disclosure Statement (“PDS”) is dated 29 October 2018 and was prepared by Synergy Financial Markets Pty Ltd ABN 80 150 565 781; AFSL 403863 (“Synergy”, “we”, “our”, “us”), as the issuer of its over-the-counter contracts for difference (“Synergy CFDs”, “Contract”, “CFDs”) referred to in this PDS.

This PDS is designed to help you decide whether the Synergy CFDs described in this PDS are appropriate for you. You may also use this PDS to compare this financial product with similar financial products offered by other issuers.

This PDS describes the key features of Synergy CFDs, their benefits, risks, the costs and fees of trading in Synergy CFDs and other related information. Synergy CFDs are leveraged financial products so you should read this PDS and the Terms and Conditions in full before making any decision to invest in them. Some expressions used in this PDS have definitions given in the Glossary at the end of this PDS (see Section 18).

The provision of this PDS to any person does not constitute an offer to any person of any interests to whom it would not be lawful to make such an offer.

This PDS is a disclosure document prepared in accordance with Australian laws. This PDS has not been lodged nor it is required to be lodged with the Australian Securities and Investments Commission.

Synergy operates in Australia as an Australian financial services provider and this PDS nor any Synergy conduct is intended to be an inducement, offer or solicitation to anyone outside of Australia.

1.2 Synergy CFDs

The Synergy CFDs covered by this PDS are over-the-counter derivative products issued by Synergy and are not exchange-traded products. The Synergy CFDs are traded on the Synergy Trader Platform and include CFDs over:

- indices (referred to as Synergy Index CFDs);
- commodities (referred to as Synergy Commodity CFDs).

Synergy Index CFDs derive their price or value from the real time changes in the value of an Underlying Index as calculated by the relevant Exchange or Synergy’s valuation of that Underlying Index.

Synergy Index CFDs can only be traded during the open market hours of the relevant Exchange on which the Underlying Index is determined (or within any more limited hours set from time to time by Synergy). Open hours of the relevant Exchanges are available by viewing the relevant Exchange website.

Synergy Index CFDs allow you to deal in anticipated market trends rather than individual shares.

Synergy Index CFDs are valued based on the number of units per index point of the Underlying Index. For example, if the Underlying Index is 5200 then trading 10 Synergy Index CFDs for that Underlying Index would mean the face value of the trade was \$52,000.

Synergy Commodity CFDs Underlying Security is the value or price of a Commodity Transaction. Synergy Commodity CFDs may be denominated in any of the available currencies.

Synergy Commodity CFDs are an easy way to gain exposure to commodity markets and their underlying commodities such as copper, wheat, sugar and oil.

Synergy Commodity CFDs can only be traded during the open market hours of the relevant Exchange on which the Commodity Transaction can be traded (or within any more limited hours set from time to time by Synergy). Open hours of the relevant Exchanges are available by viewing the relevant Exchange website

1.3 Your potential liability

Please read the Key Features in Section 5, the Key Risks in Section 7 and the Significant Risks in Section 8 for important information about your potential liability.

Potential investors should carefully consider the risks involved in trading over-the-counter derivative products and ultimately understand and accept the risks of investing in Synergy CFDs. Trading in Synergy CFDs is not suitable for all investors because of the significant risks involved (see Section 8).

Your potential liability is not limited to the amount you pay Synergy or the amount we hold on trust for you. We may ask you to pay additional amounts in excess of those amounts to cover any shortfall. Your liability on short Synergy CFDs can be unlimited. You should carefully consider the risks of Synergy CFDs and your capacity to meet your liability before investing.

This initial warning cannot set out and duplicate all of the important information in this PDS. You should read this PDS and the Terms and Conditions in their entirety before making a decision to acquire and deal in financial products covered by this PDS. We recommend that you contact us if you have any questions arising from this PDS or the Terms and Conditions prior to entering into any Transactions with us. Synergy recommends that you consult your advisor or obtain independent advice before trading.

Please note that Synergy does not guarantee the performance, return of capital from, or any particular rate of return, of a Synergy CFD product or transaction. Clients may lose more than the amount of funds in their Account, and should only invest risk capital (that is, capital you can afford to lose). Please note that the historical financial performance of any Synergy CFD or underlying instrument/market is no guarantee or indicator of future performance.

1.4 General advice

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

objectives, financial situation and needs.

1.5 Your Suitability to Trade Synergy CFDs

If we ask you for your personal information to assess your suitability to trade Synergy CFDs and we accept your application to trade Synergy CFDs, this is not personal advice or any other advice to you. You must not rely on our assessment of your suitability since it is based on the information you provide us and the assessment is only for our purposes of determining whether we are comfortable to open an Account for you. It is not feasible for you to later claim that you are not responsible for any losses you incur merely because we have opened an Account for you. You remain solely responsible for your own assessments of the features and risks of Synergy CFDs and seeking your own advice as to whether these Synergy CFDs are suitable for you.

1.6 Currency of PDS

The information in this PDS is up to date at the time it was prepared but is subject to change at any time. A copy of this PDS and the Terms and Conditions can be requested from Synergy and provided to you free of charge. If there is new information, which is materially adverse to you, we will issue either a new PDS or a supplementary PDS containing the new information. If the new information is not materially adverse to you, you will be able to find this updated information on our website www.synergyfx.com or by calling us using the contact details given below or by requesting upon request, we will end you a paper copy of the information free of charge.

1.7 Anti-Money Laundering Laws

Synergy is subject to anti-money laundering and counter-terrorism financing laws (AML/CTF laws) that can affect Synergy CFDs. If your Account is established, Synergy may disclose your personal information or stop transactions on your Account to comply with the AML/CTF laws or under Synergy's AML/CTF procedures, without liability to you for any loss that arises due to that occurring.

1.8 Treatment of Overseas Applicants

The offer to which this PDS relates is available to persons receiving the PDS (electronically or otherwise) in Australia, who are Australian residents and who provide an Australian address for service when making their application. Applicants residing in countries outside Australia should consult their professional advisers as to whether any Governmental or other consents are required, or whether any other requirements need to be complied with to enable them to open an Account. Failure to comply with the applicable restrictions may constitute a violation of laws in countries outside Australia.

1.9 Restrictions on the distribution of documentation

The offer to which this PDS relates is available only to persons receiving the PDS in Australia. The distribution of this PDS in jurisdictions outside Australia may be subject to legal restrictions.

This PDS is not intended to, and does not constitute an offer of securities or recommendation to trade in Synergy CFDs at any place which, or to any person to whom, the making of such an offer would not be lawful under the laws of that jurisdiction.

Any person who resides outside Australia who gains access to this PDS should comply with any such restrictions as failure to do so may constitute a violation of financial services laws.

1.10 Applications

If you wish to apply for a Synergy CFDs Account you must complete the online Synergy Account Application Form agreeing to the information held in this PDS.

1.11 Retail Clients

This PDS is designed for Synergy's Retail Clients only. Although informative, this PDS may not reflect Synergy's policies, procedures, and obligations to clients who are not Retail Clients. Any references to a "Client", "Clients", or "you" in this PDS are to be taken as referring to Retail Clients only.

1.12 How to contact us:

If you have any questions, please contact Synergy as follows:

Synergy Financial Markets Pty Ltd
Address: Suite 804, Level 8, 12 Help St
Chatswood, NSW 2067.
Australia Phone: 02 9188 2999
Email: support@synergyfx.com
Web: www.synergyfx.com

2. How To Trade

2.1 Your Account

You must complete Synergy's online Account Application Form. If your application is accepted by Synergy, your Account will be opened. Your Account covers all of the services and products which you apply for in your Application Form and which are accepted by Synergy.

Your trading in Synergy CFDs is conducted through your Account on the trading platform, Synergy Trader Platform.

The legal terms governing your Account and your dealing in our products are set out in the Terms and Conditions. By opening an Account, you agree to the Terms and Conditions.

2.2 Opening a CFD

The particular terms of each Synergy CFD are agreed between you and Synergy before entering into the Transaction.

Before you enter into a Synergy CFD, Synergy will require you to have sufficient Account Value (as defined in the Glossary in Section 18) to satisfy the Initial Margin requirements for the relevant number of Synergy CFDs. The payments you make to Synergy are applied as either Margin or the fees and charges and the amount net of those fees and charges is credited to your Account. The fees and charges for transacting with Synergy are set out in this PDS.

When you Close Out a position, you are entering into a new position opposite to your Open Position. You are liable for the costs, fees and charges as described in this PDS (see Section 11). You should be aware that your investment might suffer a loss, depending on the mark-to-market value of your CFD at the time of Close Out compared with the total cost of your investment up to the time of Close Out.

A CFD is opened by buying a contract, corresponding with either buying (going long) or selling (going short) the underlying security. "Going long" is when you buy a contract corresponding with buying the underlying security in the expectation that the price of the underlying security to which the contract is referable will increase, which would have the effect that the price of the contract to close out would increase.

"Going short" is when you transact in a contract corresponding with selling the underlying security in the expectation that the price of the underlying security to which the contract is referable will decrease, which would have the effect that the price of the contract will decrease.

2.3 Dealing

Quotes for prices for dealing in Synergy CFDs are indicative only, so are subject to the actual price at the time of execution of your Order. While Synergy endeavors to execute your Order to the best of its ability, there is no assurance that the Order will be executed at the price of your Order.

Quotes can only be given and Transactions made during the open market hours of the relevant market on which the Underlying Products are traded.

Synergy may at any time at its sole discretion without prior notice impose limits on our Synergy CFDs in respect of particular Underlying Products. Ordinarily, Synergy would only do this in the following circumstances:

- ⊛ if the market for the particular Underlying Product has become illiquid; or
- ⊛ trading in the Underlying Product has been suspended; or
- ⊛ there is some significant disruption to the markets, including trading facilities.

You should be aware that the market prices and other market data, which you view through Synergy's Trader Platform or other facilities that you arrange yourself may not be current or may not exactly correspond with, the prices for our Synergy CFDs offered or dealt by Synergy.

If you access your Account and the Synergy Trader Platform outside of the hours when Orders may be accepted, you should be aware that the Orders may be processed at a later time when the relevant market is open to trading, by which time the market prices (and currency exchange values) might have changed significantly.

2.4 Pricing - bid/offer spread

Synergy quotes a lower price and a higher price at which you can place your Order. This is referred to as the bid/offer spread. The higher quoted price is the indication of the price at which you can buy the Contract. The lower quoted price is the indication of the price at which at which you can sell the Contract.

You may only deal in and out of contracts by using Synergy's prices. Synergy offers prices based on its market making pricing model where Synergy chooses the prices made available to Clients.

Synergy may hedge Synergy CFDs at or around the same time as we issue the Contract to you by entering into a Contract with its Hedging Counterparty. The Contract may be with a Hedging Counterparty who may choose to hedge directly into the interbank market or it may make a market in its pricing to Synergy, depending on the market for the Underlying Product and the market hours.

Synergy's bid/offer prices are based on the corresponding prices offered by the Hedging Counterparty to Synergy and these prices may not be the same as those quoted for the Underlying Product in the relevant market.

Synergy aims to give competitive pricing via its Trading Platform but please be aware that Synergy does not act as your agent to find you the best prices, as Synergy is acting as principal when transacting with you.

When your Order is executed, for you to break even or realise a profit, putting aside for the sake of simple illustration any fees or charges, the price at which you exit your position needs to be at least equal to the original bid or offer price that you started the position (depending on whether you went long or short); if you trade at the offer, the price needs to reach the bid and vice versa.

When you receive a quote for a Contract by Synergy, it is made by reference to the price or value of the Underlying Product in the relevant market. This price or value may differ from the price or value of the Underlying Product for various reasons; for example, an additional spread is applied to the pricing offered by Synergy.

2.5 Synergy Trader Platform

Your Account gives you access to Synergy Trader Platform, which is a multi-product multi-currency on-line trading platform. At the discretion of Synergy, Synergy CFDs traded through Synergy Trader Platform may be hedged with Synergy's Hedging Counterparty (described in "Hedging Counterparty Risk" in Section 8).

Synergy provides practice Accounts known as "demo" Accounts, which conduct simulated trading. This enables you to become familiar with the Synergy Trader Platform attributes.

2.6 Confirmations of Transactions

If you transact in our Synergy CFDs, the confirmation of that Transaction, as required by the Corporations Act, may be obtained by accessing the daily statement online.

If you have provided Synergy with an e-mail or other electronic address, you consent to confirmations being sent electronically, including by way of the information posted to your Account in the Synergy Trader Platform. It is your obligation to review the confirmation immediately to ensure its accuracy and to report any discrepancies within 48 hours.

2.7 Synergy CFDs - Corporate Actions

If the Synergy CFDs relate to an index, and then a share that is a constituent of the index goes ex-dividend, then typically an adjustment will be made automatically to the index level (by the index provider) to reflect this dividend. Synergy has discretion whether to make an adjustment for an amount for the weighted proportion of the dividend, being an amount to be credited to your Account in respect of your long positions and debited from short positions. Whether the adjustment is made depends on the index and operational matters from time to time. Any adjustment will be uniformly applied across all relevant positions at the time. Please contact Synergy if you have any queries on whether the adjustment will be made to a particular Synergy CFD or an index.

You may not direct Synergy how to act on a corporate action or other shareholder benefit.

Synergy has a discretion to determine the extent of the adjustment and aims to place the parties substantially in the same economic position they would have been in had the adjustment event not occurred.

Synergy may elect to close a position (without prior notice to you) if an adjustment event occurs and it determines that it is not reasonably practicable to make an adjustment. Synergy may also elect to close a Synergy CFD if the Synergy CFD's Underlying Securities are the subject of a take-over offer, scheme of arrangement or other mechanism for change in control, prior to the closing date of the offer.

Synergy CFDs do not entitle you to direct Synergy on how to exercise any voting rights in connection with the Synergy CFD's Underlying Security.

Clients should be aware that some Exchanges purge orders in securities that undergo corporate actions. You should seek confirmation from Synergy of any action for specific corporate actions that might affect your Synergy CFDs.

3. Margin

3.1 Synergy's Margin policy

Synergy applies the following main Margin principles:

- Each Client is required to maintain a minimum required amount of Margin ("Initial Margin") before issuance of a Contract. The Initial Margin is determined by Synergy based on a number of factors, including the market price of the Underlying Product, the Margin required to hedge the Underlying Product, the Margin which Synergy is required to pay its Hedging Counterparty, Synergy's risk assessment of the Client, and any unrealised/realised profit/loss on your Account at any point in time.
- ❓ Each Client is required to maintain Initial Margin in order to minimise credit risk to Synergy.
- ❓ Each Client is required to pay the Initial Margin even if Synergy pays less to its Hedging Counterparty.
- Each Client's Account is promptly adjusted for Margin requirements according to market movement so that no Client is benefited from other Clients' Synergy trading. This could occur if, for example, the Client's Margin requirements are not adjusted in line with market changes or the credit risk on the Client.
- ❓ Each Client is required to pay Margin Calls promptly and in accordance with the requirements of the Margin policy, so that no Client receives any substantial benefit or waiver, which imprudently jeopardises Synergy and therefore increases the risks of other Clients to Synergy.
- The total amount of Margin required of, and paid by, Clients trading in Synergy CFDs is more than Synergy is required to pay its Contract Hedging Counterparty from its own funds. This surplus is retained for managing a Client's obligations to Synergy under the contract.

3.2 Margin Calls

Apart from your obligation to maintain the required amount of Margin, you are also obliged to meet Margin Calls by paying the required amount by the time stipulated in the Margin Call.

- ❓ Margin Calls are payable immediately and more than one Margin Call may be made on the one day including at weekends or outside of local business hours.
- ❓ If you do not answer the telephone on the number you give us, or you do not read the emailed Margin Call, which was sent to the email address you gave us, you remain liable to meet the Margin Call. That is why you need to be contactable 24 hours a day, while the Underlying Products are trading on the relevant markets.
- ❓ This obligation is in addition to your obligation to maintain the Initial Margin.
- ❓ There is no limit as to when you need to meet Margin Calls, how often you may be called or the amount of the Margin Calls.
- ❓ The timing and amount of each Margin Call will depend on movements in the market price of the Underlying Product for

the position, which you choose, and the things that affect the market price of the Underlying Product and changes to the Account Value.

- ❓ You have an obligation to meet the Margin Call even if Synergy cannot successfully contact you.
- ❓ You have a risk of the position being Closed Out if you do not meet the requirement to meet a Margin Call.

When you hold Synergy CFDs, you are obliged to maintain at all times the minimum Margin for all of the positions.

- ❓ It is your obligation to monitor the minimum amount of Margin required for your Account.
- ❓ It is your obligation to maintain the minimum Margin at all times for so long as you have an Open Position a Contract, which is ensuring the Margin Cover amount is positive at all times.
- ❓ Synergy is not obliged to notify you about the amount of your Margin Cover, though we may do so by email, telephone call or otherwise, as a courtesy.
- You have a risk of the position being Closed Out if you do not have sufficient Margin in your Account, regardless of whether you have checked your Account's requirement for minimum Margin or whether you have tried to make a payment but it has not been credited to your Account.

3.3 Paying Margin

As explained earlier in this PDS, you must pay the Initial Margin before the Synergy CFDs are issued to you. You must then maintain the minimum amount of Margin required by us. You will also be required to meet any Margin Calls.

To pay Margin you must deposit the funds into the Synergy Client moneys trust account. The funds are kept in this account and withdrawn only to meet your obligations to Synergy.

Your payment to Synergy is effective only when cleared funds are deposited into the Synergy Client moneys trust account; Synergy's general policy is that it does not accept as payment just a copy of your payment instructions into the Synergy Client moneys trust account. However, Synergy may, in its discretion, choose to credit your Account before it withdraws your money from the Synergy Client moneys trust account.

3.4 How is Margin calculated?

Synergy sets the amount of the Initial Margin and, at any later time, may require more Margin to maintain the required amount of Margin.

The minimum Initial Margin will be set by Synergy and calculated as a percentage of the full face value at the current market price (market exposure) of the Contract.

Owing to the volatility of the market, the amount of required Margin may change after a position has been opened, requiring a further payment because your Initial Margin has become insufficient. Margin amounts are calculated to cover the maximum expected movement in the market at any time but will change when the market changes, so the calculation might not cover all market movements and since those Margin requirements can change

rapidly and continuously, you need to ensure your Margin Cover is positive at all times otherwise you risk some or all of your positions being automatically Closed Out.

Here is an example of calculating Margin Cover:

You deposit \$10,000 into the Synergy Client moneys trust account in order for your Account to be credited with \$10,000. You enter into a position and Synergy requires you to pay Initial Margin of \$8,000. A short time later, there are fluctuations in the market such that your unrealised loss on your Account is \$2,000. As a result, your Margin Cover is fully utilised and therefore you have no capacity to enter into further Transactions (except to Close your Open Position) and you are at risk of being Closed Out if there are further adverse movements in the pricing.

Under the Terms and Conditions, your obligation to pay Margin arises from the time you have an Open Position. If the market moves so as to increase the minimum Margin requirements, or Synergy increases the minimum Margin requirement, you immediately owe the increased amount of the Margin Cover, regardless of if or when we contact you to pay more Margin. Your obligation to maintain the minimum required Margin remains at all times, whether or not we contact you and whether or not you log into your Account.

You will be required to provide the required Margin whether or not you receive a Margin Call. In other words, you are responsible for monitoring your positions and providing the required level of Margin. You might receive notice about Margin requirements by email or, when you access your Account online, by pop-up messages on your screen, but you will be required to pay the Margin whether or not you receive notice.

The values of your positions are ordinarily marked to market on a continuous basis, which automatically leads to corresponding changes in Margin requirements for your Account. However, at weekends or at other times when trading on the underlying market relevant to the Underlying Product is closed, some Margin requirements automatically increase.

3.5 Your Margin defaults

If you do not ensure that you maintain the required level of Margin or meet your obligation to pay Margin Calls (even those requiring immediate payment), all of your positions may be Closed Out and the resulting realised loss deducted from any proceeds. Any losses resulting from Closing Out your Open Positions will be debited to your Account(s) and you may be required to provide additional funds to Synergy to cover any shortfall. If you do not comply with your obligations, all of your Open Positions can be Closed Out automatically.

It is your responsibility to pay your Margin and meet Margin Call payments on time and in cleared funds, so please keep in mind the possibility of delays in the banking and payments systems. If your payment is not credited to Synergy by the time you are required to have the necessary Margin or meet the Margin Call, you could lose some or all of your positions. You should maintain a prudent level of Margin and make payments in sufficient time to be credited to your Account. Please see details of Margin risk in Section 8).

Synergy allows you to make payment in a number of ways. Since those payment details may be unique to you, please contact your Synergy representative for arranging your payment.

3.6 Margin Cover Surplus Requirements

If you have excess Margin, i.e., the Margin Cover amount is positive, you may request payment of an amount not exceeding the Free Balance. Synergy will determine if this is permissible and if so, we will arrange for the permitted amount to be paid into your nominated bank account.

3.7 Close Out and return of surplus funds

If you Close Out the Contract, realising a gain and your Account has a net credit balance above any remaining minimum required Margin you may request payment of the Free Balance.

Synergy will determine if that is permissible and if so it will arrange for the permitted amount to be paid into your nominated bank account.

3.8 Valuation

During the term of your Synergy CFDs, Synergy will determine the value of your Account, based on the value of the Synergy CFDs in your Account. The value of your positions is ordinarily adjusted on a continuous basis, reflecting the values being marked to market on a continuous basis when the market for the relevant Underlying Product is open. If trading in the Underlying Product is suspended or halted, the position will be re-valued by Synergy for your Account.

4. Client Qualification Policy

Synergy operates a Client qualification policy that is intended to ensure new Australian Clients are qualified to invest in Synergy CFDs based on the information you give us. Investing in these CFDs is not suitable for all Clients, due to the significant risks involved.

You should obtain independent advice in relation to the suitability of our Products for your personal objectives, financial situation and needs. You should carefully consider the features of our Synergy CFDs and their significant risks before investing in them.

In order to be deemed sufficiently qualified to trade with us, you must be able to pass a multiple choice quiz designed to test the extent of your knowledge in trading and financial markets. In order to qualify, you must record a pass score. The quiz consists of 10 multiple choice questions, with at least one correct answer required from each of the following sections:

- ❑ have previous experience trading in CFDs;
- ❑ have an understanding of the concepts of leverage, margins and volatility;
- ❑ have an understanding of the key features of the product;
- ❑ have an understanding of the trading process and relevant technology;
- ❑ are able to monitor and manage the risks of trading; and
- ❑ understand that only risk capital should be traded.

If you pass the multiple-choice quiz, then you will be deemed qualified to trade through us. If a pass grade is not achieved, then you will not be deemed qualified to trade.

To the extent permitted by law we do not accept liability for your choice to invest in Synergy's CFDs so you should read all of this PDS carefully, consider your own needs and objectives for investing in Synergy CFDs and take independent advice as you see fit.

5. Key Features of Synergy CFDs

A CFD is a sophisticated over-the-counter derivative financial product, which allows you to make a profit or loss from changes in the market price of the Underlying Product, without actually owning the Underlying Product or having any direct interest in the Underlying Product. In simple terms, the amount of any profit or loss made on the Contract will be equal to the difference between the price of the Contract with reference to the Underlying Product when the Contract is opened and the price of the Contract with reference to an Underlying Product when the Contract is closed, multiplied by the number of Synergy CFDs held.

The calculation of profit or loss is also affected by other payments, including payments relating to transaction fees, Finance Charges and any other charges (for more information, see Section 11).

You can take both "long" and "short" positions. If you take a long position, you profit from a rise in the Underlying Product, and you lose if the price of the Underlying Product falls. Conversely, if you take a short position, you profit from a fall in the price of the Underlying Product and lose if the price of the Underlying Product rises.

Synergy CFDs are Margin CFDs, which derive their prices from the real time changes in the price of the Underlying Product in the relevant market.

Prices for Synergy CFDs are only quoted for, and can only be traded during the open market hours on which the Underlying Product is traded.

Synergy will not quote for a Contract on a particular Underlying Product if that Underlying Product is illiquid (for more information on potential external disruptions see Section 8).

Synergy CFDs allow you to receive many of the economic benefits of owning the full value of the Underlying Product without physically owning it (for more information on key benefits of trading in Synergy CFDs see Section 6). For more information on which Synergy CFDs Synergy provides quotes on, please download a demonstration Synergy Trader Platform located on the Synergy website www.synergyfinancialmarkets.com.au or contact Synergy.

5.1 Summary of Key Features of Synergy CFDs

- ❑ Synergy CFDs are over-the-counter derivatives issued by Synergy. They are not exchange-traded.
- ❑ They are for investing indirectly in a range of commodities and index level movements around the world without having to own and pay full value for the underlying Product.
- ❑ Your Account must be funded before you can transact with us. You do this by paying at least the Initial Margin (plus other fees and Charges detailed in Section 11).
- ❑ You remain liable to pay Margin Calls and to maintain the required amount of Margin. If you do not maintain the required Margin or you do not pay the required Margin Call

within the relevant timeframe, the Contract can be Closed Out and you remain liable to pay us any remaining shortfall.

- Synergy CFDs are not traded on a licensed market. The terms of Synergy's CFDs are individually tailored to the requirements of the parties to the Contract – you and Synergy. Accordingly, the protections associated with licensed markets are not available to you.
- ☒ You do not own or have any right or obligation to acquire the Underlying Product itself.
- There is leverage in Synergy's CFDs because you only pay Margin to Synergy, not the full value of the Contract. All payments to Synergy are paid as Margin (or for the relevant fees and charges). The more Margin you pay, the less leverage you have.

6. Key Benefits of Synergy CFDs

- **Leverage:** Synergy CFDs are leveraged which means you outlay a small amount (Initial Margin), rather than the full value of the Contract. The use of leverage enables you to take a trading position with an exposure to a particular Underlying Product without needing to buy or sell the full value of the Underlying Product. This leverage gives you the potential to take a greater level of risk for a smaller initial outlay, so this increases the potential risks and rewards. Leverage can magnify losses (see Section 8).
- **Speculation:** Synergy CFDs can be used for speculation, with a view to profiting from market fluctuations in the Underlying Product. You may take a view of a particular Underlying Product and so invest in our Synergy CFDs intending to make a profit.
- **Hedging:** You can use our Synergy CFDs to hedge your existing exposure to an Underlying Product.
- **Market Position:** You can deal in Synergy CFDs to profit (and lose) in both rising and falling markets.

7. Significant Risks of Trading in our Products

This Section does not detail all risks applicable to Synergy CFDs but rather seeks to highlight the key significant risks involved in trading in Synergy CFDs. Trading in Synergy CFDs carries a high level of risk and returns are volatile. You should obtain independent professional advice and carefully consider whether Synergy CFDs are appropriate for you in light of your knowledge, experience and financial objectives, needs and circumstances. Trading in Synergy CFDs should not be undertaken unless you understand and are comfortable with the risks of leveraged investments. You should consider these key risks involved in trading with us and in our products:

Key Risks	Description
Loss from Leverage:	<ul style="list-style-type: none"> • Synergy CFDs are leveraged, which means the amount you initially outlay is far less than the full face value of the transaction, which means that results are magnified which can lead to large losses as well as large gains. The high degree of leverage in our Synergy CFDs can work against you as well as for you. The leveraged nature of these CFDs gives a risk of a loss larger than the amounts you pay Synergy as Margin. It can also cause volatile fluctuations in the Margin requirements. • You can minimise the risk of losses on positions by monitoring your Open Positions and Closing Out the positions before losses arise. • Leveraged products such as Synergy CGFs involve greater risks, including the liability to pay additional Margin Calls at short notice, as margin requirements can change rapidly in response to movements in the underlying market. • Your potential losses can exceed your initial investment and the amounts held in your account.
Unlimited loss on short or long positions:	<ul style="list-style-type: none"> • There is risk that you may incur an unlimited loss on short or long positions – more than the amount you pay Synergy for the positions. • You can minimise the risk of losses on positions by monitoring your Open Positions and Closing Out the positions before losses arise.
Client moneys are applied to pay for the position:	<ul style="list-style-type: none"> • The money, which you pay into the Synergy Client moneys trust account is withdrawn in accordance with the Terms and Conditions and the Australian Client Money Rules. Please see Section 9 for more details. • Money is withdrawn from the Synergy Client moneys trust account to either to pay Synergy or to pay you. Moneys withdrawn to pay Synergy are Synergy’s moneys (and are not held for you). Funds withdrawn in this manner lose the protections afforded by the Client moneys trust account.
Margin risk:	<ul style="list-style-type: none"> • You must be able to pay to Synergy the amount of required Margin (including the initial margin and any additional margins) as and when required, otherwise all of your Transactions may be Closed Out without notice to you. • Margin requirements are highly likely to change continuously and at times very rapidly, in line with market movements in the Underlying Product. • There is a moderate to high risk that if the market value of the Underlying Product moves rapidly against you, you will be required to pay more Margin on little or no notice.
Foreign exchange risk:	<ul style="list-style-type: none"> • Foreign currency conversions required for funds to match the Base Currency of your Account can expose you to foreign exchange risks between the time the Transaction is entered into and the time the relevant conversion of currencies occurs. Foreign exchange markets can change rapidly. This exposes you to adverse changes in the value of your Account, which can be large (depending on foreign exchange rates) and volatile. This will directly affect the value of a position.
Counterparty risk:	<ul style="list-style-type: none"> • When you deal in Synergy CFDs, you have a counterparty risk with Synergy. An element of counterparty risk is “credit risk” and the “limited recourse” feature of our Synergy CFDs in turn impacts this, so you should consider your credit risk with Synergy having the financial resources at the time to pay you the amounts it owes you. For further information please see Credit Risk and Limited Recourse below. • You have the risk that Synergy will not meet its obligations to you under the Synergy CFDs. Synergy’s CFDs are not exchange traded so you need to consider the credit and related risks you have with Synergy. • The potential adverse outcome of this risk is very significant to you since, if it occurs, you could lose all or some of your investment. • It is possible that Synergy’s Hedging Counterparty, or the custodian used by the Hedging Counterparty, may become insolvent or it is possible that other Clients of that Hedging Counterparty may cause a default which reduces the financial resources or capacity for that Hedging Counterparty to perform its obligations owed to Synergy under the hedge contracts. Since Synergy is liable to you as principal on the Contract, Synergy could be exposed to the insolvency of its Hedging Counterparty or other defaults, which affect the Hedging Counterparty. See below for information about the particular Hedging Counterparty.

Hedging Counterparty Risk:	<p>Synergy will nominate Hedging Counterparties on a case-by-case basis. These Hedging Counterparties will be aggregators of interbank pricing, and a facilitator of passing the Synergy hedge transactions through to the interbank market. You should note that:</p> <ul style="list-style-type: none"> • The Hedging Counterparty has not been involved in the preparation of this PDS nor authorised any statement made in this PDS relating to it. • The Hedging Counterparty has no Contractual or other legal relationship with you as holder of the Contract. The Hedging Counterparty is not liable to you and you have no legal recourse against the Hedging Counterparty (because Synergy acts as principal to you and not as agent) nor can you require Synergy to take action against the Hedging Counterparty. • Synergy gives no assurance as to the solvency or performance of any Hedging Counterparty. Synergy does not make any express or implied statement about the solvency or credit rating of any Hedging Counterparty. • The regulation of a Hedging Counterparty is no assurance of the credit quality of the Hedging Counterparty or of any regulated or voluntary scheme for meeting the claims of creditors of the Hedging Counterparty. • The credit quality of a Hedging Counterparty can change quickly. Synergy is not able to make assessments of the credit quality of its Hedging Counterparties which it can disclose and reports by independent credit rating agencies may not be available because of their lack of consent or because they are not licensed to allow such reports to be cited in the PDS given to retail Clients. <p>Synergy is not authorised to set out in this PDS any further information published by the respective Hedging Counterparties and Synergy takes no responsibility for third-party information about those Hedging Counterparties which may be available to you.</p>
Credit Risk:	<p>You have credit risk with Synergy when your Account has a net credit balance made up from the amounts credited as Margin, the unrealised value of the positions, other amounts credited to your Account (from closed positions or Finance Charges credited to your Account), other positions posted to your Account (from your other trading using Synergy Trader Platform), less fees and charges and the minimum required Margin.</p> <p>Your credit risk with Synergy:</p> <ul style="list-style-type: none"> • depends on the overall solvency of Synergy, which is affected by Synergy’s risk management; • is affected by your limited recourse against Synergy. <p>Your more significant credit risk arises when the moneys are withdrawn and paid to Synergy (rather than the risks for when your money is in the Synergy Client moneys trust account). In this instance, you are taking credit risk with Synergy because you become an unsecured creditor of Synergy.</p> <p>Your credit risk with Synergy is managed and reduced by Synergy by doing the following:</p> <ul style="list-style-type: none"> • applying its risk management policy and Margin Policy designed to reduce risk to Synergy and therefore benefit all of its Clients; • hedging positions; and • keeping all Synergy Trader Platform-related surplus funds in a dedicated trust bank account so those funds can only be used in connection with Synergy’s dealings with all Clients who use Synergy Trader Platform, including their positions, and/or fees and charges (and not for general working capital).
Limited Recourse:	<ul style="list-style-type: none"> • It is important to understand that you have no rights or beneficial interest in an Underlying Product or any Contract, which Synergy has with its Hedging Counterparties, and you cannot force Synergy to make any decision about seeking recovery against Synergy’s Hedging Counterparty. You are dependent on Synergy taking any action to seek recovery. Synergy has complete discretion as to how it pursues that action, although Synergy would act honestly, fairly and efficiently in determining if and how to pursue that recovery action. • The limited recourse does limit your potential recovery against Synergy. • This key risk is linked to Counterparty Risk above.
Market risk:	<p>Financial markets can change rapidly; they are speculative and volatile. Prices and exchange rates even of currencies depend on a number of factors including, for example, central bank decisions, interest rates, demand and supply and actions and policies of governments.</p> <p>Synergy’s CFDs are highly speculative and volatile. There is a high risk that market prices will move such that the Contract Value of the CFD on closing can be significantly less than the amount you invested in them.</p>

	There is no guarantee or assurance that you will make profits, or not make losses, or that unrealised profits or losses will remain unchanged.
Not a regulated market:	Synergy's CFDs are over-the-counter derivatives and are not covered by the rules for exchange-traded CFDs. Over-the-counter CFDs, such as Synergy's CFDs, by their nature may not at times be liquid investments in themselves. If you want to exit your position, you rely on Synergy's ability to Close Out your position at the time you wish, which might not match the liquidity or market price of the Underlying Product.
Market disruptions:	A market disruption may mean that you may be unable to deal in our Synergy CFDs when desired, and you may suffer a loss as a result of that. This is because the market disruption events, which affect the Underlying Product, will also affect the Synergy CFDs on the same or very similar basis. Common examples of disruptions include the "crash" of a computer-based trading system, a fire or other emergency affecting technology systems, or a regulatory body declaring an undesirable situation has developed in relation to a particular series of Synergy CFDs or a particular trade, and suspends trading in those Synergy CFDs or cancels that trade.
Orders and gapping:	It may become difficult or impossible for you to Close Out a position. This can, for example, happen when there is a significant change in the Contract Value over a short period. There is a moderate to high risk of this occurring. Synergy's ability to Close Out a position depends on the market for the Underlying Product. Stop-loss Orders may not always be filled and, even if placed, may not limit your losses to the amount specified in the Order, as there are no guarantees that there will be no loss.
Online trading platform:	<p>You are responsible for the means by which you access the Synergy Trader Platform or your other contact with Synergy. If you are unable to access the Synergy Trader Platform, it may mean that you are unable to trade in our Synergy CFDs (including Closing them Out) or you might not be aware of the current Margin requirements and so you may suffer loss as a result.</p> <p>Synergy may also suspend the operation of the Synergy Trader Platform or any part of it, without prior notice to you. Although this would usually only happen in unforeseen and extreme market situations, Synergy has discretion in determining when to do this. If the Synergy Trader Platform is suspended, you may have difficulty contacting Synergy, you may not be able to contact Synergy at all, or your Orders may not be able to be executed at prices quoted to you. There is a risk that Synergy will impose volume limits on Client Accounts or filters on trading, which could prevent or delay execution of your Orders, at your risk. You have no recourse against Synergy in relation to the availability or otherwise of the Synergy Trader Platform, nor for their errors and software.</p>
Market:	Synergy Clients should be aware that some practices in placing Orders can constitute market manipulation or creating a false market which is conduct prohibited under the Corporations Act. It is the Client's responsibility to be aware of unacceptable market practices and the legal implications. The Client may be liable for penalties to regulators such as ASIC or be liable to Synergy for costs to Synergy arising out of those trading practices of the Client which lead to the Client, Synergy or any other person suffering loss or penalty.
Conflicts:	<p>Trading with Synergy for its Synergy CFDs carries an automatic risk of actual conflicts of interests because Synergy is acting as principal in its CFDs with you and Synergy sets the price of the CFDs and also because it might be transacting with other persons, at different prices or rates.</p> <p>The policy used by Synergy is that as principal it issues the Contract to you based on the price it gives you, not by acting as broker to you. Synergy obtains its price by dealing with its own Hedging Counterparties.</p> <p>The other trading activities of Synergy, such as acting as broker to its Clients, are conducted without reference to Synergy's dealing in our Synergy CFDs with you. Synergy will make those Transactions as principal or as agent, and will do so to hedge its position and with the intention of making a profit.</p>
Valuations:	<p>The Synergy CFDs are valued by Synergy. Typically this is by direct reference to (but not automatically solely derived from) the market value (or, if relevant, index level) of the relevant Underlying Product on the relevant market, which in turn affects the price quoted by the relevant Hedging Counterparty to Synergy. If the market fails to provide that information (for example, due to a failure in trading systems or data information service) or trading in the Underlying Product is halted or suspended, Synergy may exercise its discretion to determine a value.</p> <p>Due to the nature of our Synergy CFDs, in common with industry practice for such financial products, Synergy's discretion is unfettered and so has no condition or qualification. While there are no specific limits on Synergy's discretions, Synergy must comply with its obligations as a financial services licensee to act efficiently, honestly and fairly. You therefore have the risk of relying on whatever value is determined by Synergy.</p>

<p>Regulatory bodies:</p>	<p>A Client may incur losses that are caused by matters outside the control of Synergy. For example, actions taken by a regulatory authority exercising its powers may ultimately result in losses to the Client by reason of the effect of those actions on the Underlying Product and so the terms of the Client's Contract. A regulatory authority can, in extreme situations, suspend trading or alter the price at which a position is settled, which will affect the Underlying Product for the Client's Contract.</p> <p>Synergy's powers on default, indemnities and limitations on liability: If you fail to pay, or provide security for, amounts payable to Synergy or fail to perform any obligation under your Synergy CFDs, Synergy has extensive powers under the Terms and Conditions to take steps to protect its position. For example, Synergy has the power to Close Out positions and to determine the rates of interest it charges. Additionally, under the Terms and Conditions you agree to indemnify Synergy for certain losses and liabilities, including, for example, in default scenarios.</p>
<p>Operational risk:</p>	<p>There is always operational risk in a Contract. For example, disruptions in operational processes such as communications, computers and computer networks, or external events may lead to delays in the execution and settlement of a Transaction. We are not liable to you if losses arise owing to delays, errors or failures in operational processes outside our control, in particular, due to faults in the Synergy Trader Platform or in the provision of data by third parties.</p>
<p>Solvency of Synergy:</p>	<p>The risks you have by dealing with Synergy (due to it being paid all of your moneys deposited into the Synergy Client moneys trust account and Synergy then potentially making hedge Transactions with counterparties funded by those payments) cannot be simplistically assessed by reference to historical financial information about Synergy or its Hedging Counterparties or general statements of principle.</p> <p>The credit risk you have on Synergy depends on its solvency generally, as well as on the amount (and kind) of its capitalisation, its cash flow, all of its business risks, its Client and financial product concentration risks, its counterparty risks for all of its business and Transactions (not just the Synergy CFDs), its risk management systems and actual implementation of that risk management and the limited recourse you have.</p> <p>Your credit risk on Synergy will fluctuate throughout the day and from day to day, including due to the implied credit risk on Hedging Counterparties, whose credit risk to Synergy (and so indirectly to you) cannot be assessed or verified on a continuous basis or perhaps at all.</p> <p>You should take into Account all of those factors and not rely only on past financial statements since that could be materially incomplete information for your purposes, not current and therefore potentially misleading as a guide to the current solvency and creditworthiness of Synergy.</p>

8. Client Money held by Synergy

8.1 Client Money - Trust Account

All Client funds received by Synergy are handled in accordance with the Corporations Act and ASIC Regulatory Guide 212: *Client money relating to dealing in OTC derivatives*. Moneys paid by you to Synergy for Synergy CFDs are initially deposited into a Client moneys trust account maintained by Synergy, which is referred to in this PDS as the “**Synergy Client moneys trust account**”.

The moneys paid by you into the Synergy Client moneys trust account are held for you and are segregated from Synergy’s own funds. This means those funds are not available to pay general creditors in the event of receivership or liquidation of Synergy.

You should be aware that, generally, for Client moneys trust accounts:

- Individual Clients do not have separate or segregated accounts. All Clients’ moneys are combined into one account.
- 🔗 In accordance with the ASIC Client Money Reporting Rules 2017, Synergy:
 - keeps accurate records of the amounts of Client money it is required to hold in the Synergy Client moneys trust account for each client and on an aggregate basis; and
 - performs daily and monthly reconciliations of the amounts of Client money that, according to our records, is required to be held in the Synergy Client money trust account against the amount of reportable Client money that is actually being held in that account. These reconciliations are performed on an aggregate and individual client basis. Written records of our monthly reconciliations are sent to ASIC.
- 🔗 Synergy is entitled to retain all interest earned on the money held in the Synergy Client moneys trust account.

Synergy does not use money paid to us by Clients in connection with derivatives for margining, guaranteeing, securing, transferring, adjusting, or settling and of Synergy’s dealings in derivatives with other parties, including dealings on behalf of other people other than the Client. Furthermore, Synergy does not use Client money as its capital, including working capital, for the purposes of meeting any obligations incurred by Synergy other than on behalf of the Client, and for the purposes of hedging, counteracting, or offsetting the risk to Synergy associated with a transaction between Synergy and the Client.

A Client’s deposit also serves as confirmation of their direction to Synergy to tell us that these moneys can be withdrawn as payment for amounts owed to Synergy under any Contract they wish to enter into using Synergy Trader Platform, as well as for any applicable fees and charges as set out in this PDS, or as otherwise authorised by law. If you do not use the Client reference number when making your deposit,

Synergy may ask you to confirm your written direction before we can credit your Account to enable you to enter into a Transaction.

The Terms and Conditions give Synergy its entitlement to withdraw your funds from the Synergy Client moneys trust account, to the extent that that become payable to Synergy under any contract you enter into and as authorised by law.

8.2 Use of Client moneys

Client moneys are held in the Synergy Client moneys trust account until Synergy carries out the Client’s direction and funds are withdrawn. The timing of the funds being held in the Synergy Client moneys trust account might be for a short time, as little as the same day as your deposit or as much as a few days depending on whether the payment has been correctly referenced with the unique Client reference number we give to you when you make your deposit or subsequently allocated manually.

Synergy’s general policy is that it will not withdraw from the Synergy Client moneys trust account any of the funds you deposit there, until they become payable by you (for example, in accordance with a particular Contract, for any applicable fees or charges, or as otherwise authorised by law). Your Account with Synergy is credited and debited to reflect this process.

Synergy may, in its discretion, choose to credit or debit your Account before it pays or withdraws your money from the Synergy Client moneys trust account. This may be done as an advantage to Clients to facilitate dealing in Synergy CFDs having regard to available banking payment procedures, but if that is done by Synergy it should not be expected or relied upon as always going to be done by Synergy.

You are free to decide that it is more prudent for you to pay more than the required minimum Margin to reduce the risks from leveraging or to avoid time limits for meeting later Margin requirements that you cannot meet.

8.3 Withdrawal Authority

Margin is part payment by you to Synergy for the Synergy CFDs and is not held on deposit for you. You must maintain Margin in an amount of at least the minimum required Margin amount.

Synergy uses the Terms and Conditions, policies and procedures to ensure each Client’s payments for Synergy CFDs are allocated to that Client’s Account.

8.4 Consequences of withdrawals from the Synergy Client moneys trust account

Moneys are withdrawn from the Synergy Client moneys trust account either to pay Synergy or to pay you. Moneys withdrawn to pay Synergy are Synergy’s own moneys (and are not held for you).

From the time of withdrawal from the Synergy Client moneys trust account:

- ❓ You lose the protections given to a Client money trust account of that kind.
- ❓ You may, in certain circumstances, become an unsecured creditor of Synergy for its obligations on the Contract and your other dealings with Synergy. This includes exposure as an unsecured creditor for payment to you of the net Account Value (if any) after closing all of your positions.

Synergy reduces the risks to you arising from the withdrawals from the Synergy Client money trust account by:

- ❓ using a Client money trust account dedicated only for Clients using an Account (and not mixing its own money in it);
- hedging Clients' Contracts with its own funds;
- ❓ using Client payments made to it for their Synergy CFDs only for paying fees and charges on the Synergy CFDs, or as otherwise authorised by law;
- ❓ keeping all Synergy CFDs-related surplus funds in a dedicated trust bank account so those funds can only be used in connection with Clients who use Synergy Trader Platform, including the Synergy CFDs, or fees and charges (and not for general working capital or for any principal trading by Synergy);
- Managing all Clients' Margin requirements under a policy designed to reduce risk to Synergy and therefore benefit all of its Clients.

9. Order Types

Different types of Orders are available on Synergy Trader Platform. You will be able to find out information about Orders that apply on Synergy Trader Platform when you log in. The following are examples of Order types that may be available to you. If you have any questions, please contact Synergy.

Important notice about this section

When you request to place one of the types of Orders described in this Section, we have discretion whether or not to accept and execute any such request. We will, at our discretion, accept or reject any Orders. The price at which we accept an Order to trade will generally be on the basis of filling the full volume of the Order in one Transaction if possible and partially filled Orders will be filled as soon as the opportunity arises. For some Synergy CFDs that you choose to trade, there may be a minimum trade value or other restrictions (e.g., pricing) that relate to a particular market.

9.1 Limit Order

Limit Orders are commonly used to enter or exit the market at a predetermined price that is more favourable to you than the current market price.

- Limit Orders to buy are placed below the current market price and are executed when the ask price hits or breaches the price level specified. If placed above the current market

price, the Order is filled instantly at the best available price below or at the limit price.

- Limit Orders to sell are placed above the current market price and are executed when the bid price breaches the price level specified. If placed below the current market price, the Order is filled instantly at the best available price above or at the limit price.

When a Limit Order is triggered, it is filled as soon as possible at the price obtainable on the market. Note that the price at which your Order is filled may differ from the price you set for the Order if the opening price of the market is better than your limit price.

In the case of Synergy CFDs, the Order will be filled if possible, and any remaining volume will remain in the market as a limit Order; however, there may be particular variations depending on the pricing model you have chosen and the Underlying Product.

9.2 Market Order

A Market Order is an Order to buy or sell at the current market price as soon as possible i.e. if the market is closed, the Order will be executed when the market opens.

9.3 Stop-Loss Order

A Stop-Loss Order is an instruction to Close Out or to enter into the Contract at the best available price after a pre-determined price threshold is reached. Putting a Stop-Loss Order on your position will allow you to limit potential losses from adverse market fluctuations by closing your position at the best available price after the market price passes the price threshold you have set.

You would generally choose to place a Stop-Loss Order to provide some risk protection. Stop-Loss Orders are commonly used to exit positions and to protect investments in the event that the market moves against an Open Position.

For example, if your Open Position moves towards making a loss based on a level chosen by you, the Stop-Loss Order would be triggered to close your Open Position or to open a position, depending on the Transaction you have.

Stop-Loss Orders to sell are placed below the current market level and your Stop-Loss Order would be executed if our bid price moves against you to a point that is beyond the level specified by you (and accepted by us).

Conversely, Stop-Loss Orders to buy are placed above the current market level and your Stop-Loss Order would be executed if our offer price moves against you to a point that is beyond the level specified by you (and accepted by us).

Synergy has absolute discretion whether 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 Product or trading in the Underlying Product is too far away from the market prices.

In the event Synergy accepts your Stop-Loss Order, market conditions may move against you in a way that prevents execution of your Stop-Loss Order. For example, in volatile markets, our quoted prices might gap through your Stop-Loss Order level, so that the closing level of quotes may be beyond the exact level specified by you. A gap in market prices reflects the market for the CFDs so can occur for any reason, without any apparent reason or at any time. Additionally, it is possible that not all of the Stop-Loss Orders can be fulfilled because the underlying market does not have enough buyers and sellers in the volume of the Underlying Product to allow Synergy to hedge its Transactions. If the opening price of the Underlying Product is beyond the level of your Stop-Loss Order, your Order will be filled at the opening level, not at your Stop-Loss Order level.

9.4 Contingent Order

A Contingent Order is an instruction to place a Limit Order or a Stop-Loss Order to open a new position, while at the same time; another Order is placed (Second Order). This Second Order will only be effective if the parent Order is executed. A Contingent Order cannot be attached to an existing Open Position. It must be placed when you open your position.

9.5 If Then Order

An If Then Order is an Order, which is contingent upon a working Order being filled and which must be accepted before being attached to a working Order. These Orders can be If Then Limit or If Then Market Orders.

9.6 Order Cancels Order (OCO)

An OCO are two separate Stop-Loss or Limit Orders that are linked together and placed as one Order. When one of the linked Orders is executed, the other Order is automatically cancelled.

9.7 Order Duration

- **Good till cancelled:** The Order is valid until it is either manually cancelled or is executed because the necessary market conditions have been met.
- **Day Order:** The Order is valid until the end of the day. The end of the day is 22.00 GMT time on the day that you place the Order.

9.8 Risk Limits

Synergy seeks to impose a limit of the Margin Utilisation. This is an internal process only and not a contractual term or assurance to you that any internal risk limits will avoid or minimise your losses on your Account.

Synergy may, in its discretion, choose to impose a more aggressive risk limit from time to time and later to vary that risk limit. This is an internal risk management decision of Synergy.

You should always decide your own risk limits and monitor your positions.

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

- ❓ If the Margin required to maintain your Open Positions takes up 100% of the funds shown in your Account, you are regarded as being in Margin Call;
- ❓ If the funds available in your Account only cover 100% or less of the Margin requirements for your open Synergy CFDs, you will receive a visual message automatically on the Synergy Trader Platform for you to consider taking appropriate action which can include depositing further funds or reducing exposure; and
- ❓ If the funds available in your Account only cover 50% of the Margin requirements for your Open Positions, your Synergy CFDs will be automatically closed out either partially or completely.

Irrespective of the steps we take, it is your responsibility to ensure that you have paid to us sufficient funds in order to satisfy our Margin requirements. If you fail to have sufficient Margin at any time, we may close out your positions without notice, at a loss to you and you may be charged default interest.

We have sole discretion to determine how much Margin is required.

10. Costs, Fees & Charges

10.1 Costs, Fees & Charges

Synergy derives a financial benefit by entering into other Transactions with other persons at different rates from those charged to the Client.

10.2 Mark to market payments that represent the Unrealised Profit on open CFDs

At the close of business on each business day during the term of your Synergy CFDs, we will determine the Contract Value of your Synergy CFDs. The Contract Value is calculated by Synergy by multiplying the applicable price of the Underlying Product (ie Index or Commodity) by the number of CFDs.

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

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

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

10.3 Spreads

The calculation of the price to be paid (or the payout to be received) for Synergy CFDs, at the time the Contract is opened or closed, will be based on market prices available at the time and the expected level of interest rates, implied volatilities and other market conditions during

the life of the Contract and is based on a complex arithmetic calculation. The calculation will include a spread in favour of Synergy.

Spread means the difference between the bid price (price offered) and the ask price (price requested) for the Synergy CFD. The spread is incorporated into the price quoted to you and is not an additional fee or charge payable by you. Synergy makes its income from rebates derived from the spread in the prices of the Synergy CFDs.

The spreads we quote are generally wider than the spreads available in the physical market and the additional spread represents spreads received by Synergy by hedging its position. In other words, we:

- add an amount to the market ask price when you open a Long position; and
- subtract an amount from the market bid price when you open a Short position.

This means you pay more to buy a Synergy CFD and receive less when you sell a Synergy CFD. The current spreads can be found out by calling us.

The spreads we quote are a number of Pips between the bid price and the ask price. A Pip is the last decimal place to which an exchange rate is quoted. All Pips are not of equal value.

Our Hedging Counterparty determines the spreads we quote. The spread will be influenced by the following factors:

- ❓ estimated level of the Underlying Index or price of the Underlying Commodity,
- ❓ the size of your Transaction,
- ❓ the frequency of which you enter into Synergy CFDs with us,
- ❓ expected levels of interest rates,
- ❓ implied volatilities and other market conditions during the life of the Contract, and
- ❓ the currency and the time zone in which you choose to trade.

The spreads we publish are our best possible target spreads used in normal market conditions and range from between 0.03 to 10 points depending on the CFD.

If a Client receives a quote for a Contract by Synergy it is made by direct reference to the price or value of the Underlying Product in the relevant market but this pricing or the value may differ from the price or value of the Underlying Product for various reasons including that Synergy's income might be included in the pricing, i.e., an additional spread Margin is applied to the pricing offered by Synergy.

Please remember that Synergy is acting as principal to you, and is not acting as your broker to find you the best possible price.

10.4 Default interest

If you fail to pay when due any amount payable under the Terms and Conditions, we may debit from your Account default interest on that amount.

Default interest will be charged from and including the due date to the date of actual payment (after as well as before judgment). All such interest will be calculated using an interest rate, which is central bank target cash rate for that currency plus 3% per annum. Default interest is charged in arrears at the end of each business day.

For example, assume that your actual Margin is \$1,000 less than your required Margin. If the \$1,000 is not deposited with us then, assuming a default interest rate of 8.5% per annum (3% per annum above central bank target cash rate for that currency assuming that rate is 5.5% per annum), default interest of \$0.23 per day would be charged and added to the amount owing to us.

Default interest rates are subject to change.

10.5 Finance Charges/Credit and Rollovers

If you hold a long or short position overnight you will be debited or credited a Finance Charge or payment on the Open Positions held overnight.

No Finance Charge/credit is paid or received if you open and close a position on the same day.

10.6 Currency Conversion Calculation Fee

Funds can be deposited with us and held in the following currencies:

- ❓ Australian Dollars;
- ❓ United States Dollars;
- ❓ British Pound Sterling; and
- ❓ Euros.

Note: Other currencies can be offered upon request.

Your Account can be denominated in any of the four stated currencies.

- ❓ Under the Terms and Conditions, we are entitled to charge you a conversion calculation fee of up to 0.5 per cent for converting amounts into your nominated currency when you deal in a FX Contract denominated in a currency other than Australian dollars, US Dollars, British Pound Sterling or Euros and:
 - funds are transferred from the Synergy Client money trust Account and converted at the current spot rate for the conversion of the relevant funds into your nominated currency (being either Australian dollars, US Dollars, British Pound Sterling or Euros); or
 - realised profits and losses are converted to your nominated currency (being either Australian dollars, US Dollars, British Pound Sterling or Euros) immediately on closing the FX Contract at the current spot rate.

- ❓ All mark to market payments, Margins, spreads, Swap Charges and interest charges in relation to that FX Contract will be calculated using the Terms Currency. To show the effect of these Transactions on your FX Account, we will notionally convert these Transactions to your Account currency at the

current spot rate. No conversion calculation fee is charged to you for these notional conversions.

10.7 Margin

You are required to maintain the Margin for Open Positions. The Margin is not a fee but rather a security deposit that you are required to keep with us. For further information please refer to Section 2.

11. CFD Trading Examples

The following examples are for illustrative purposes only. The figures in the examples are hypothetical and do not represent actual figures. Synergy provides these examples to illustrate the variables for a typical Transaction and how they affect the calculations. The variables of your actual Transactions will, of course, differ, so please check with Synergy before entering into a CFD Transaction.

11.1 Stock Index CFDs

Trading on Stock Index CFDs allows you to gain exposure to a large number of varied listed securities in one single Transaction. Stock Index CFDs can be used to take positions on the direction of an overall market without having to take a view on the prospects for any particular company's shares. A short position can be used as a low cost hedge to protect a diversified share portfolio against market falls.

A Stock Index CFD works in the same way as a CFD on an individual share as they allow you to make a potential profit or loss due to fluctuations in the value of the underlying Index, such as the S&P/ASX 200 Index.

There is a Transaction fee payable on opening or closing a Stock Index CFD. A Finance charge may be payable or receivable and in the case of cash Stock Index CFDs dividend adjustments may be applicable. When trading Stock Index Futures CFDs there are no adjustments for dividends, however a price adjustment may be made upon expiry of the underlying Futures Contract over which the Index CFD is based.

An Index CFD is an open-ended contract that is not subject to an expiry date however an adjustment may be made when the underlying Futures Contract expires and a new contract commences.

Stock Index CFDs are opened in the same way as individual share CFDs. You will be required to pay Margin. Details of how this will be calculated are set out below. There are two basic types of Stock Index CFDs - Cash Stock Index CFDs and Stock Index Futures CFDs.

A Stock Index CFD worth \$5 per point and opened at a quote of 6000 would have a value of \$30,000 (6000 x 5). The margin requirement for Stock Index CFDs is available from us and can be found on the trading platform.

Example of buying a Stock Index CFD (Cash)

Assume that the ASX 200 Index CFD is trading at 6400-6401 and you believe that the S&P/ASX 200 Index will rise. As a result you buy 5 ASX 200 Index CFDs at 6401.

The next day the ASX 200 Index is trading at 6444-6445 and you decide to take your profit and close your position by selling 5 ASX 200 Index CFDs at 6444.

Your profit or loss is calculated as follows:

Interest Rate: 3.75% (RBA rate plus 2%)

Daily Closing Price (mark-to-market price): 6444

Buy Opening Level: (5 x 6401) = \$32,005

Sell Closing Level: (5 x 6444) = \$32,220

Difference: (\$32,220 - \$32,005) = \$215

Financing Adjustment: [$\$64,440 \times (3.75\% / 360)$] x 1 = \$6.71

Gross Profit on Transaction: = \$215 - \$6.71 = \$208.29

Example of a Cash Stock Index CFD dividend adjustment

As explained earlier, forward contracts trade at prices, which reflect the dividends companies are expected to pay. When dividends are paid, the share price drops and these need to be adjusted for in the price of our Cash Stock Index CFDs. Synergy may make the adjustment before the ex dividend date in order to meet its obligations to maintain a fair and orderly market.

For example, RIO announces a dividend of 25 cents per share and is the only company in the S&P™/ASX 200™ Index that day to pay a dividend. RIO's share price closes the night before the ex dividend date at \$55.00. Usually a company's share price will fall by the price of the dividend being paid so when the shares start trading ex dividend, they should open up 25 cents lower at \$54.75 on the ex dividend date.

Assume RIO constitutes 4% of the S&P™/ASX 200™ Index, which is trading at 6000 then RIO represents 240 points of the value of the S&P/ASX 200™ Index. With RIO priced at \$55.00 per share, a 1 point movement in its own share price equates to 0.04 S&P™/ASX 200™ Index points. Therefore, a 35 cent movement in RIO's share price should equate to a 1.5 point movement in the S&P™/ASX 200™ index.

In this scenario, on the night before the ex dividend date, Synergy would adjust our price by taking 1.5 points off the price of our Cash Stock Index CFDs in respect of RIO. Synergy would then charge or credit Clients' Accounts with the appropriate dividend amount depending on the Clients respective holdings (long or short) at that time.

Interest

Interest rates are a factor in any market. Synergy applies daily interest debit or credit amounts (ie rollover) to open positions held over platform time 00:00, based on the total face value of the position. Our rollover rates are calculated by referencing the relevant 3 month LIBOR for all index products. Each day, the rollover amounts per lot are shown transparently in the dealing rates window of the platform. Index positions that are open at the close of business on Friday will incur a 3-day rollover.

To avoid rollover, you can close your position before 00:00 and the charge would not apply.

Interest is imposed by way of the Finance Charge adjustments on the Account. Interest with respect to Cash Stock Index CFDs is calculated and charged on a daily basis at the Base Rate of interest. The Base Rate is set by Synergy from time to time and is variable without prior notice.

Rollover formula

Closing Price of the Index * [(the relevant 3-month LIBOR rate/100) + Synergy Markup/Number of Days] +- Dividends * Trade Size

As the AUS200 is an Australian Index, the Australia 3-month Bank Bill Swap Rate is used (1.50%) to calculate interest. Since this rate is expressed in a percentage, the 1.50% needs to be divided by 100 before it can be used in our formula. Then, Synergy's markup is applied to LIBOR, which is 2% for short positions. (1.50%/100 + 0.02).

Multiply this by the closing price of the AUS200 for the previous day:

$$5300.00 * [(1.50\%/100) + 0.02]$$

Then divide this amount by 360 (i.e. the number of days typically used in financial formulas). This gives us the appropriate interest rate for only one day of holding the position rather than an interest rate for the entire year.

$$5300.00 * [(1.50\%/100) + 0.02] / 360$$

We also need to take into account the trade size of the position. If the AUS200 issues dividends, this needs to be included as well. Assume that the AUS200 issues a dividend of 0.18, this amount will be added to the final result.

Because the rollover amount is a charge, the number needs to be multiplied by -1.

$$[5300.00 * [(1.50\%/100) + 0.02] / 360] + 0.18 * -1 = -2.94 \text{ Rollover per 1 AUS200 contract.}$$

11.2 Futures, Commodities and Money Market CFDs

Synergy also offers a range of CFDs on the price of various commodity, interest rate and bond Futures. These are often generically referred to as Futures CFDs. Details of these products are listed in our Trading

Terms and Conditions. The Transaction fee on these types of CFDs will be based on any underlying Exchange fees referable to the Hedge contracts that correspond with your CFDs. We quote the dealing spread – the difference between our 'buy' and 'sell' quotes. The Margin requirements are set out in the Trading Terms and Conditions. These types of CFDs have set expiry dates, upon or after which the position will be closed automatically or rolled into the next contract at which point an adjustment may be made to your Account.

These CFDs may be quoted on a cash basis or based on the futures contract price. Cash price based CFDs have no expiry date, however they are subject to an overnight financing rate. CFDs based on futures contracts have an expiry date, however may be automatically rolled into the next contract. CFDs based on futures contracts do not incur any financing charges.

Underlying Futures Contracts

If the Underlying Instrument of a CFD is an Exchange-traded futures contract (Underlying Futures Contract) your CFD issued by Synergy operates by reference to a notional Futures Contract, which is exchange-traded. It is your obligation to ensure that you are aware of the expiry date of the underlying futures contract since your Account may be adjusted when the underlying futures contract expires and is automatically rolled into the next contract.

Types of Futures Contracts

There are two main types of Futures Contracts. One is an agreement under which the seller agrees to deliver to the buyer, and the buyer agrees to take delivery of, the quantity of the commodity described in the contract. Such contracts are described as deliverable contracts.

The other kind is an agreement by the two parties to make a cash adjustment according to whether the price of a commodity or security has risen or fallen since the contract was entered into. These are termed Cash Settlement Contracts.

Contract Specifications

The terms and conditions of a Futures Contract are set out in the rules and regulations of the Exchange on which the contract was made. Futures Exchanges exist in a number of countries and regions as well as Australia. It is your obligation to make yourself aware of the contract conditions of the futures contract over which the CFD is based.

Futures Contracts can be made for periods of several years in the future, although the vast majority are for settlement within six months of the agreement being made. The time of the delivery or settlement is for Futures Contracts is standardised. It is your obligation to make yourself aware of the expiry date of any Futures Contract over which a CFD is based. You can obtain this information by contacting the relevant Exchange on which the Futures Contract is listed or by contacting us. The expiry dates of Futures Contracts over CFDs are not shown on the trading platform, but it is important to make yourself

aware of the expiry dates, as a debit or credit will be applied to your Account when the Futures Contract expires and is rolled into the next Contract.

Futures Contracts are standardised

Futures Contract standardisation means that price and volume are the only factors that are to be determined in the marketplace. On the Australian Stock Exchange and on many international Futures Exchanges, exchange-traded derivatives are quoted and traded on electronic trading systems, which provide a system of continuous price discovery. This means that the price at which trades take place may continually change throughout a trading session. Futures Contract prices represent a consensus of market opinion as to what the price of the commodity should be at the specified time in the future.

Since all Futures Contracts for a given future month in the same market are exactly alike, obligations under Futures Contracts are easily transferred from one party to another. A Client who holds a Futures CFD whose Underlying Futures Contract is a contract to buy may cancel this obligation by taking a Futures CFD in respect of a new Contract to sell in the same month. This process is known as “offsetting” or “closing out the contract”. In the same way, the holder of a Contract to sell can Close Out by taking a new Contract to buy. In each case there will be a profit or loss equal to the difference between the buying and selling prices multiplied by the standard contract amount. In practice, the vast majority of Contracts are offset in this manner; the remainder being fulfilled by delivery or by mandatory cash settlement in those markets if no provision for delivery exists.

Expiry of Futures Contracts and Close Out

Since all Futures CFDs are only ever cash settled, all positions must be closed or rolled into the next contract month. You should be aware of the expiry and first notice dates of any Underlying Futures Contracts of the Futures CFDs you invest in and ensure that you close your CFD position before that date. If you require any assistance or clarification regarding the expiry of the Underlying Futures Contracts for your CFDs, please contact Synergy or the relevant Exchange that the futures contract is traded on.

If you wish to close a Futures CFD position before it expires, you will need to enter into a CFD Transaction equal and opposite of the open Futures CFD through the trading platform.

On the day the CFD is closed, Synergy will calculate the remaining payment rights and obligations to reflect movements in the Contract Value since the previous close of business (including other credits/debits). Because you enter into a CFD Transaction to Close Out the existing CFD Transaction, there may be a Transaction fee on the CFD Transaction used to close the position.

In order to provide the Futures CFDs to you in an efficient and low-cost manner, Synergy has discretion in determining closing prices. In general, without limiting Synergy’s discretion, Synergy will endeavour

to act reasonably with regard to a range of relevant factors at the time, such as the value of the hedge contract taken by Synergy to hedge its Futures CFD issued to you, the closing price of the Underlying Futures Contract for the CFD, any foreign currency exchange rates which are relevant due to the denomination of your CFD or Trading Account(s) and any suspension or halt in trading of the Underlying Futures Contract. In a worst-case scenario the closing price determined by Synergy may be zero.

Synergy also has the right to decide to make an adjustment in any circumstance if Synergy considers an adjustment is appropriate. Synergy has discretion to determine the extent of the adjustment to place the parties substantially in the same economic position they would have been in had the adjustment event not occurred.

Synergy may elect to close a position (without prior notice to you) if an adjustment event occurs and it determines that it is not reasonably practicable to make an adjustment. Although there are no specific limits on Synergy’s discretions, Synergy must comply with its Australian Financial Services Licensee obligations to act efficiently, honestly and fairly.

The amount of any profit or loss you make on a Futures CFD will be based on the difference between the amount you paid for the issued CFD (including fees and charges) and the amount credited to your Account when the CFD is closed out (including allowance for any fees and charges).

Should the underlying Futures Contract over the CFD be rolled into the next Contract by us we will make a cash adjustment to your Account, depending on whether you were long or short the CFD. The cash adjustment will reflect the difference in price between contracts.

12. External Fees, Taxes and Charges

You are responsible for any stamp duty, Transaction duty, GST or similar goods and services or value added tax payable in respect of trading in Transactions (except for any income tax payable by Synergy). Bank charges and fees imposed on Synergy to clear your funds or in respect of your payments will also be charged to your Account.

The Terms and Conditions may allow Synergy to impose other fees or charges from time to time, which do not relate directly to Transactions (and so are not costs, fees or charges for acquiring or later dealing in the Contract itself). For example, you may be required to pay royalty or similar charges set by data providers for your use of information feeds or for online Transaction services. Synergy may debit these amounts to your Account.

13. Taxation Implications

Our products can have taxation implications for Clients, depending on the current tax laws and administration, the nature of the Client for tax laws, the terms of the Transactions and other circumstances. These are

invariably complex and specific to each Client. You should consult your tax advisor before trading in these financial products.

The following information should be regarded as general information only and is based on Australian taxation laws as at the date of this PDS.

13.1 Australian Taxation regime for Synergy CFDs

The Australian Taxation Office (ATO) Taxation Ruling 2005/15 describes the income tax and capital gains tax implications of trading in contracts for differences. A summary of ATO Taxation Ruling is available at:

www.law.ato.gov.au/atolaw/view.htm?docid=TXR/TR200515/NAT/ATO/00001

Potential investors should note that this is a public ruling for the purpose of Part IVA of the Taxation Administration Act 1953 (Commonwealth) and therefore, if the ruling applies to the investor, the Commissioner of Taxation is bound to assess that investor on the basis outlined in the ruling. Penalties may apply where the treatment outlined in a taxation ruling is not followed and the investor has a tax shortfall. The following statements do not set out all of the content of the Taxation Ruling and there might be other taxation aspects that are relevant to your particular circumstances. Copies of Taxation Rulings are available from the ATO's website www.ato.gov.au.

13.2 Profits and losses on Synergy CFDs

Any realised gains derived or losses incurred by you in respect of a CFD ordinarily should be included in your assessable income. Realisation will generally occur when the right or obligation to receive or pay on the contract ceases.

When calculating the amount of profit or loss, you need to consider the difference between the Closing Value and the Contract Value on commencement of the position and any fees on Open Positions paid or received by you. If you hold the positions for the purpose of trading, you should seek independent taxation advice relevant to your circumstances.

13.3 Tax file number withholding rules

The tax file number withholding rules only apply to those investments as set out in income tax legislation. Synergy's current understanding is that those withholding rules do not apply to its financial products; however, if it is later determined to apply and you have not provided Synergy with your tax file number or an exemption category, Synergy may be obliged to withhold interest payments at the highest Margin tax rate and remit that amount to the ATO.

13.4 Other fees, charges or commissions

If the position gives rise to gains that are assessable or losses that are deductible, any fees other than charges or commissions ordinarily should be available as a deduction at the time they are paid by the investor and debited against their Account.

13.5 Goods and Services Tax

The ruling relating to the GST implications of trading in Synergy CFDs is GST Determination GSTD 2005/3. This states that the costs incurred in having an Open Position, such as commissions (on both opening and closing), dividend and corporate event adjustments, daily funding charges and Margins are all considered financial supplies under the new A New Tax System (Goods and Services Tax) Act 1999. Consequently, they are imputed taxed and no GST is payable on their supply. GST may apply to certain fees and charges and you should obtain your own advice as to whether an input tax credit is available to you for such fees and charges.

14. General Information

14.1 Accounts Denominated in Foreign Currency

If you instruct Synergy to effect a Transaction denominated in a currency different from the denomination of your Account currency, Synergy will convert the currency value of your Transaction into the Account's currency.

The foreign currency conversions can expose you to foreign exchange risks between the time the Transaction is entered into and the time the relevant conversion of currencies occurs. This will immediately impact on the Margin requirements of your Account, so you must be careful to understand and to monitor the effect of trading in products denominated in foreign currencies.

Foreign exchange markets can change rapidly. Exchange rates depend on a number of factors including for example, interest rates, currency supply and demand and actions of government. In some situations, exchanges of currency may be suspended. These will impact on the rates of conversion set by Synergy.

14.2 Discretions

Synergy has discretions under the Terms and Conditions, 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 will comply with our legal obligations as the holder of an AFSL.

- ☐ We will 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 act reasonably in exercising our discretions and adhere to our fiduciary duty but we are not obliged to act in your best interests or to avoid or minimise a loss in your Account.

Our significant discretions are:

- ☐ whether to accept your Order (including to Close Out a position) or to amend it;
- ☐ any risk limits or other limits we impose on your Account or your trading;
- ☐ determining Margin requirements, especially the amount of Initial Margin, minimum Margin requirements, the time to meet any changed Margin requirement;

- ❓ determining values of Underlying Products (for opening and closing positions and for determining Margin);
- ❓ setting bid prices and offer prices; and
- ❓ closing your positions and setting the Closing Value.

You should consider the significant risks that arise from Synergy exercising its discretions – see Sections 7 and 0.

Our other discretions include:

- ❓ setting our fees and interest rates;
- ❓ adjusting our Synergy CFDs for adjustments made by the market to the Underlying Products;
- ❓ 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.

14.3 Cooling Off

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

14.4 Ethical Considerations

Our Synergy CFDs do not have an investment component. Labour standards or environmental, social or ethical considerations are not taken into Account by Synergy when making, holding, and varying or Closing Out our Synergy CFDs.

14.5 Dispute resolution

We have internal dispute resolution procedures to resolve complaints from Clients. A copy of these procedures may be obtained by contacting us and requesting a copy.

Contact Synergy to inform us about your complaint. You may do this by telephone, facsimile, email or letter to the following address:

The Compliance Department
Suite 804, 12 Help Street,
Chatswood, NSW 2067
Australia

Initially, all complaints will be handled and investigated internally. Should you feel dissatisfied with the outcome, you have the ability to escalate your concerns to an external body for a resolution.

Synergy is a member of the Australian Financial Complaints Authority (AFCA), which is the approved external dispute resolution scheme that can deal with complaints about all of the financial services Synergy provides.

If you are dissatisfied with the outcome provided by Synergy's internal dispute resolution process, you have the right to complain to AFCA in writing at:

Australian Financial
Complaints Authority
GPO Box 3
Melbourne VIC 3001
Telephone: 1800 931 678
Facsimile: (03) 9613 6399
Email: info@afca.org.au
Web: www.afca.org.au

Synergy is a member of the AFCA complaints resolution scheme and our membership number is 26427.

You may also make a complaint via the Australian Securities and Investments Commission Info line on 1300 300 630. This is a free call info line. This is another alternative that you may use to make a complaint and obtain information about your rights.

15. Privacy Policy

15.1 The information we collect

Personal information is collected for the purpose of maintaining and establishing your Account, processing Transactions and for complying with certain laws and regulations. The information we collect from you will only be the essential information needed for us to effectively perform our services and duties to you. Without your personal details we may not be able to supply these services.

We will not collect, use or disclose any personal information from you revealing racial or ethnic origin, political opinions, memberships of a political association, religious beliefs or affiliations, philosophical beliefs, memberships of a professional or trade association, membership of a trade union, sexual preferences or practices, criminal record or health information unless:

- ❓ you have given express consent to Synergy to do so;
- ❓ there are reasonable grounds to believe that disclosure is necessary to prevent a threat to life or death;
- ❓ the use is authorised by law or reasonably necessary to enforce the law; or
- ❓ the information is necessary for the establishment, exercise or defence of a legal claim.

15.2 How we collect information

Synergy collects your personal information through a variety of ways.

This includes, information that you provide to us:

- ❓ during face-to-face meetings,
- ❓ through the completion of our Application Forms,
- ❓ over the telephone or internet, and
- ❓ through a third party, such as your financial planner or adviser, Accountant or lawyer.

15.3 Use and disclosure of your information

The information we collect from you is strictly confidential for use by Synergy. Synergy will not reveal, disclose, sell, distribute, rent, licence, share or pass that information on to any third parties, other than:

- ❓ where you have consented to the disclosure;
- ❓ to service providers contracted to Synergy under strict confidentiality clauses;
- ❓ regulators as required by law; or
- ❓ other market operators, clearers and product operators for the purpose, giving effect to your instructions.

Disclosure to service providers may be necessary for the provision of our services to you.

Synergy may use your personal information for marketing purposes. If you wish to remove your name from our marketing mailing list please contact us on +61 2 9188 2999 or write to us at the address detailed in Section 1 of this PDS.

If we wish to use any of your personal information for any other purpose than those specified in this Policy, we will not do so without your express consent. Exceptions to this include:

- ❓ where there are reasonable grounds to believe that disclosure is necessary to prevent a threat to life or health;
- ❓ where Synergy suspects that an unlawful activity is or has been engaged in;
- ❓ the use is authorised by law or reasonably necessary to enforce the law; or- in legal or dispute proceedings.

We will take reasonable steps to ensure that all information we collect, use or disclose is accurate, complete, up-to-date and stored in a secure environment that is accessible only by authorised personnel. Please

assist us to keep your details up-to-date and advise us if any information appears inaccurate.

If you cease to be a Client of Synergy, we may keep our records about you, including your personal information, for seven years in order to comply with the legislative requirements. After that, we may destroy those records.

If we do not agree that your personal information requires correcting, we must (if you request) take reasonable steps to ensure that whenever your personal information is later accessed or handled, it is not apparent that you are not satisfied as to the accuracy or completeness of that information.

15.4 Access to your personal information

You may access at any time any personal information that Synergy holds about you. Exceptions to this include:

- ❓ where providing access will pose a serious threat to life or health of any individual or pose an unreasonable impact on the privacy of an individual;
- ❓ providing access would reveal our intentions in relation to negotiations with you in such a way as to prejudice our position in those negotiations;
- ❓ where the information relates to existing legal proceedings between Synergy and you and the information would not be discoverable in the process of those legal proceedings; or
- ❓ where providing access would be unlawful, may prejudice an investigation of possible unlawful activity, may prejudice enforcement of laws, or denying access is specifically authorised by law.

If Synergy does not allow you access to your personal information, we will provide you with reasons for our decision.

16. ASIC Regulatory Guide 227 Disclosure Benchmarks

ASIC Regulatory Guide 227 requires issuers of over-the-counter (OTC) derivatives to publish certain information addressing a range of disclosure benchmarks. Synergy's compliance with each of these benchmarks is addressed in the below table:

Benchmark Description	Synergy meets this benchmark as follows:
<p>1. Client Qualification</p>	<p>Synergy maintains and applies a documented policy, which sets out the minimum qualification criteria that prospective retail investors will need to demonstrate before we will open an Account for you. Synergy also maintains a documented procedure to ensure such criteria are properly applied, and unsuitable investors are not accepted. We also maintain records of our assessments.</p> <p>Please note that we do not provide personal advice regarding the suitability of trading in these products for your personal financial circumstances and objectives. However, Synergy does not accept retail investors unless they are able to qualify to the satisfaction of Synergy.</p> <p>In order to be deemed sufficiently qualified to trade with us, you must be able to pass a multiple choice quiz designed to test the extent of your knowledge in trading and financial markets. The quiz consists of 10 multiple choice questions, with at least one correct answer required from each of the following sections:</p> <ul style="list-style-type: none"> • have previous experience trading in Synergy CFDs; • have an understanding of the concepts of leverage, Margins and volatility; • have an understanding of the key features of the product; • have an understanding of the trading process and relevant technology; • are able to monitor and manage the risks of trading; and • understand that only risk capital should be traded. <p>If you pass the multiple-choice quiz, then you will be deemed qualified to trade through us. If a pass grade is not achieved, they you will not be deemed qualified to trade.</p> <p>To the extent permitted by law we do not accept liability for your choice to invest in any Synergy CFDs so you should read all of this PDS carefully, consider your own needs and objectives for investing in Synergy CFDs and take independent advice as you see fit.</p>
<p>2. Opening Collateral</p>	<p>Synergy only permits Clients to open an Account and trade with cleared funds (i.e. transfer of cash from your bank Account to your Account with Synergy).</p> <p>Credit card deposits are limited to a maximum equivalent of AUD \$1,000 per for the first opening deposit.</p> <p>Synergy does not accept other financial products as collateral for opening or trading an Account, due to the potential for 'double leverage' in such circumstances. Synergy does not encourage the use of leverage products with borrowed funds and do not accept "cash equivalents" as opening collateral.</p>
<p>3. Counterparty Risk – Hedging</p>	<p>Synergy maintains and applies a written policy to manage our exposure to market risk from Client positions. This includes strict risk management controls to assess and monitor our hedging counterparties (to ensure they are of sufficient financial standing, are licensed by a comparable regulator, and are of sound reputation).</p> <p>Synergy ensures all hedging counterparties meet the following criteria:</p> <ul style="list-style-type: none"> • must have a good reputation and be a leader in the industry; • must have a detailed understanding of the foreign exchange business; • must have financial resources sufficient to offer the requisite margin and leveraging supports; • must have sufficient front and back office systems; • it must be regulated by the relevant authority in the countries that it operates. <p>A summary of our policy, which notes our current approved hedging counterparties, is available on our website (and may be updated from time to time as counterparties change).</p>
<p>4. Counterparty Risk – Financial Resources</p>	<p>Synergy maintains and applies a written policy to ensure the ongoing maintenance of adequate financial resources. We further maintain a detailed Risk Register, in which the key risks of our business are addressed and reviewed. Part of this process involves considering the effect of various scenarios on liquidity and credit risk of a severe market rise or a severe market fall to determine the stress that Synergy can withstand.</p> <p>Please note that we have compliance professionals monitoring compliance with our AFSL conditions and ASIC Regulatory Guide 166 (financial) obligations, as well as review and input from our independent external legal and accounting advisers. Our capital requirements and exposure are monitored on a daily basis using real-time</p>

	software tools and reported formally on a monthly basis. Further, our external independent auditor conducts an audit at the conclusion of every financial year, a copy of which can be provided to you upon written request.
5. Client Money	<p>Synergy maintains and applies a clear policy with regard to the use of Client money. Please note that money you deposit into your Account is co-mingled with other Client money in our Client money trust account. Note, however, that Synergy engages in frequent reconciliations to ensure Client money is accounted for. Such monies are only applied to Client trades/settlement obligations and to pay agreed fees etc., in line with the Corporations Act requirements.</p> <p>Client monies, which are held pending future Transactions and payments, are retained in our Client money trust account in accordance with the Corporations Act. It is important to note that holding your money in one or more Client money trust accounts may not afford you absolute protection.</p> <p>Synergy enters into arrangements with Hedging Counterparties for the facilitation of Transactions and settlements, but it does not use money paid to us by Clients for this purpose.</p> <p>Client trades can only be placed when there are cleared funds in the Client's Account. Accordingly, no scenario is anticipated which would result in a shortfall in the Client money trust account.</p> <p>Synergy does not use Client money as its capital, including working capital, or to meet the obligations of any other Client, or to meet its own obligations.</p>
6. Suspended or halted underlying assets	<p>An underlying financial product may be placed in a trading halt on the relevant market in various circumstances. Additionally, it may be suspended in certain circumstances.</p> <p>Should our Hedging Counterparties stop providing pricing and clearing in a certain product or underlying asset due to a suspension or trading halt, then Synergy will be unable to process Orders which have not yet been opened, and will suspend trading on Open Positions until such time as pricing becomes available again.</p>
7. Margin Calls	<p>Synergy maintains and applies a written policy detailing our Margining practices in section of 3 this PDS. This details how we monitor Client Accounts to ensure you receive as much notice as possible regarding Margin Calls, our rights regarding the levying of Margin Calls and Closing Out of positions when such calls are not met in a timely manner, and what factors we consider when exercising such Close-Out rights.</p> <p>All Synergy CFDs will be subject to Margin obligations. Accordingly, you are responsible for meeting all Margin payments required by Synergy. It is your sole responsibility to monitor and manage your Open Positions and exposures, and ensure Margin Calls are met as required.</p> <p>We reiterate that trading in Synergy CFDs carries a high level of risk and returns are volatile. The risk of loss in trading can be substantial, and you can incur losses in excess of the capital you have invested. Accordingly, you should only trade with risk capital i.e. money you can afford to lose, and which is excess to your financial needs/obligations.</p>

17. Glossary

The defined terms used in this PDS are capitalised. If there is any conflict between the terms of this PDS and the Applicable Law, the Applicable Law will prevail.

Term	Description
Account	Means your Account with Synergy established under the Terms and Conditions, including all Accounts and all Transactions recorded in them, for using Synergy Trader Platform.
Account Value	Means the current value of your Account which Synergy calculates by combining: <ul style="list-style-type: none"> the balance of the cash Account; the sum of the values of the non-Margin positions; the unrealised value (positive/negative) of the Open Positions in Margin products; indicative costs to Close (Transaction Fees, Finance Charges); and the values of Transactions not yet booked.
AFSL	Australian financial services licence issued by ASIC.
AML/CTF Laws	Means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth) and any related regulations, rules and instruments.
Applicable Law	All laws, procedures, standards and codes of practice that apply in relation to Synergy and the Synergy Products, including the Corporations Act, Corporations Regulations, the ASIC Act, ASIC Policy, the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth), the Privacy Act (Cth) 1998, and the applicable laws or regulations of any other country, including all relevant rules of Government Agencies, exchanges, trade and clearing associations and self-regulatory organisations.
Application Form	Means the application form available on our website.
ASIC	Australian Securities & Investment Commission.
ATO	Australian Taxation Office.
Australian Client Money Rules	Means the provision in Part 7.8 of the Corporations Act and the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with Client Moneys and property and the guidelines detailed in ASIC Regulatory Guide 212: <i>Client money relating to dealing in OTC derivatives</i> .
Base Currency	Each CFD has a denominated base currency which is the same as the Margin Currency and can be found in the specifications on the platform
Client	A prospective or existing Retail Client of Synergy.
Client Money	Means the moneys Clients have deposited with us and held by us under the Australian Client Money Rules.
Close Out, Closed Out, Closing Out	In relation to a Transaction means discharging or satisfying the obligations of the Client and Synergy under the Transaction and this includes matching up the Transaction with a Transaction of the same kind under which the Client has assumed an offsetting opposite position.

Closing Date	Means the date on which the Contract is agreed to be Closed Out, or earlier, if deemed to be Closed Out in accordance with the Terms and Conditions.
Closing Value	Means the value determined by Synergy by multiplying the number of your CFDs by the price (or, if an index, the level) of the Contract at the Closing Date.
Contract	Means an over the counter derivative between you and us, i.e. a Synergy Index CFD or a Synergy Commodity CFD.
Contract Value	Means the face value of the CFD Contract, and is calculated by Synergy by multiplying the applicable price (or, if an Index, the level) of the CFD Contract by the number of CFD Contracts.
Corporations Act	Corporations Act 2001 of the Commonwealth of Australia.
Deal or Dealing	Means dealing as defined by section 766C of the Corporations Act.
Finance Charges	Means the Finance Charges as described in section 11 of this PDS.
Free Balance	The cash balance in your Account plus or minus any floating Profit/Loss less any Margin requirements. You can, subject to our Terms and Conditions, withdraw funds up to the amount, if any, of your 'Free Balance'.
Hedging Counterparty	Means a person with whom Synergy enters into a hedge contract to hedge Synergy's exposure to Client positions.
Hedging	A strategy employed to manage exposure to the risk of market fluctuations by taking a position to eliminate or reduce that risk.
If Then Order	An Order which is contingent upon a working Order being filled and which must be accepted before being attached to a working Order.
Initial Margin	Means the amount, which you are required to pay to Synergy as the initial Margin for any Transaction, which you propose to enter into.
Limit Order	Used to enter or exit the market at a predetermined price that is more favourable to you than the current market price.
Margin	Means the amount of cash or other assets paid to Synergy and credited to your Account as Margin.
Margin Call	Means a call on you, requiring you to top up the amount of money you have in your Account as Margin in order to maintain your required Margin where the market has moved against you, and where the additional payment is required in order to maintain your Open Positions.
Margin Cover	Means the minimum amount of Margin required to be maintained in your Account before the Account Value reaches the Margin Closeout Level.
Margin Product	Means a Transaction, which has a required Margin. This could be a Synergy CFD covered by this PDS or another kind of Contract covered by another product disclosure statement issued by Synergy.
Margin Trading	Refers to any trading in any Margin product.

Margin Utilisation	Is expressed as a percentage and relates to the proportion of the Account Value which you are utilising for Margin requirements. The purpose of the Margin Utilisation is to calculate and show simply in percentages how you are meeting your obligation to maintain sufficient Margin.
Mark to Market Payments	Payments which are credited to or deducted from your Account each business day representing the Unrealised Profit/ Loss on your opened Synergy CFDs at the close of business on that date.
Open Position	Means, at any time, a Transaction that has not been Closed Out, or settled prior to the time agreed for settlement.
Order	Means any Order placed by you to enter into a Transaction.
OTC Contract	Means an over-the-counter Contract for a financial product, including Synergy CFDs in respect of indices and commodities.
PDS	Means this Product Disclosure Statement.
Pips	A Pip means the smallest increment in foreign exchange trading or "percentage in point".
Retail Client	Has the meaning given to it by s 761G of the Corporations Act and includes a sophisticated investor within the meaning of s 761GA of the Corporations Act.
Stop-Loss Order	An instruction to Close Out or enter into the Contract at the best available price after a pre-determined price threshold is reached.
Swap Charge or Swap Credit	While holding a position overnight, your Account is debited or credited using the applicable overnight Tom-Next rate.
Synergy, we, us, or our	Means Synergy Financial Markets Pty Ltd (ABN 80 150 565 781).
Synergy Client moneys trust account	Means the bank account maintained by Synergy as a trust account under section 981B of the Corporations Act. (It is not part of your Account).
Synergy Products	Includes Synergy CFDs.
Synergy Trader Platform	Means Synergy's online trading platform for trading in our Synergy CFDs.
Terms and Conditions	The agreement between you and Synergy in respect of your trading in Account. Both you and Synergy are bound by these Terms and Conditions.
Transaction	A purchase or sale by a Client of a Synergy Product.
Underlying Product and Underlying Security	The underlying asset, security, commodity, or index, the reference to which the value of a CFD is determined.