



FX Plus | Margined FX and Contracts for Difference Financial Services Guide

GAIN Capital Australia Pty Ltd
ACN 141 774 727
AFSL 345646

Financial Services Guide

31 October 2019

This Financial Services Guide (FSG) is designed to assist clients in deciding whether to use any of the services offered by GAIN Capital Australia Pty Ltd (trading as City Index) (GCA). It contains information about:

- the services we provide,
- how to communicate with us,
- remuneration that may be paid to us and other relevant persons in relation to the services offered, and
- information on how complaints against us are dealt with.

If, after reading this guide, further information is required, then please do not hesitate to contact us.

GCA is also required to issue retail clients with a product disclosure statement (PDS) for the products it offers. The PDS is designed to allow clients to make an informed decision about whether to purchase a financial product and to allow for comparison of financial products. It includes information such as fees payable, risks, benefits and significant characteristics of a financial product. We will provide you with a PDS before an offer is made to issue a financial product.

About GAIN Capital Australia Pty Ltd

GAIN Capital Australia Pty Ltd (trading as City Index) (GCA) is a company incorporated in Australia (ACN 141 774 727) and holder of an Australian Financial Services License (AFSL 345646) issued by the Australian Securities & Investment Commission (ASIC).

GCA is a wholly owned indirect subsidiary of GAIN Capital Holdings Inc., a corporation organised and existing under the laws of Delaware, United States of America. GAIN Capital Holdings Inc. is publicly traded and listed on the New York Stock Exchange (NYSE; GCAP).

GCA offers off-exchange / over-the-counter (OTC) derivative products generically referred to as Contracts-for-Difference (CFD's) and margined foreign exchange contracts (Margined FX Contract).

How to contact us

Address: Level 1, 62 Pitt Street
Sydney NSW 2000

Postal: GPO Box 5464,
Sydney NSW 2001,
Australia

Toll Free: 1800 139 103
Direct: (02) 9270 3600
Fax: (02) 9270 3650

Email: enquiries@cityindex.com.au
Internet: www.cityindex.com.au

Services

GCA is licensed by ASIC to:

- provide general financial product advice for;
- deal in, including issuing, applying for, acquiring, varying or disposing of; and
- make a market in;

derivatives and foreign exchange contracts, to retail and wholesale clients

Any advice provided by GCA is general financial product advice only, and will not take into account your personal circumstances. As a result you should, before acting on the advice, consider the appropriateness of the advice and the product, having regard to your own objectives, financial situation and needs. As GCA does not, and is not authorised to, provide personal financial product advice, and you will not receive a Statement of Advice from GCA.

In providing the services to you, GCA acts as principal on its own behalf. We do not act as your agent.

Products

GCA offers CFD's over a range of financial assets including Australian and international stock indices and commodities, and Margined FX Contracts.

CFD's and Margined FX Contracts are margined OTC derivatives that allow clients to profit from price movements without physical ownership of the underlying assets or instruments.

A CFD constitutes an agreement between two parties to exchange, at the close of the contract, the difference between the opening and closing prices of the contract, multiplied by the number of units specified within the contract.

A Margined FX Contract is a contract under which the parties agree to exchange the cash difference between the opening value and the closing value of an underlying currency pair.

You should read and understand the PDS we have issued in respect of these products before making any decision about whether to use the product.

Instructions

You may give us dealing instructions by telephone or via our trading platform. Any other form of communication which is not a dealing instruction may be made by telephone, in person, or in writing by post, fax or email.

We advise that all of our telephone lines are recorded in order to provide a record of transactions.

Fees & Charges

Fees and charges apply to transactions in CFD's and Margined FX Contracts. The fees and charges vary, depending on which CFD's or Margined FX Contracts are traded. This FSG only contains a general summary of the common fees, costs and charges. You should refer to the PDS for further details. All fees, costs and charges and other amounts payable are subject to change from time to time.

If our remuneration is not ascertainable at the time of issue of this FSG, you may request particulars of the remuneration within a reasonable time after you were given the FSG and before we provide the services to you.

Daily Financing Fee

If you hold a long position, GCA will charge you interest for the total notional value of the position at the relevant financing rate. The rate is determined by adding a percentage rate for the particular type of CFD to a benchmark interest rate, such as the current local inter-bank offered rate.

If you hold a short position, your account may be credited with a financing charge, calculated at a rate determined by adding a percentage rate for the particular type of CFD to a benchmark interest rate.

The actual interest rates applied in the calculation of financing will vary from time to time. Details are contained in the PDS.

Bid – Offer Spread

In respect of CFD's other than CFD's over shares, and in respect of Margined FX Contracts, we do not charge a transaction fee. Rather, GCA derives remuneration through charging a spread when we quote prices to you to buy or sell a Product. The difference between the buying and selling price of a product, as quoted by GCA, is known as the bid-offer spread.

The bid-offer spread will vary depending on market conditions and the product concerned and is subject to variation, especially in volatile market conditions. We may adjust the bid-offer spread from time to time.

Administrative Charges

Remittance Fees

Typically, GCA does not charge its customers for withdrawal of funds from their account. However, where a customer requires same-day payment of funds, GCA reserves the right to charge for this additional service. This fee will not be more than A\$15 or the currency equivalent.

Conversion Fee

Where there is cash to be posted on your account which is not denominated in the base currency, it will automatically be converted into the base currency. We may at our discretion apply a charge to the rate used to convert the cash postings.

Inactivity Fees

Where no activity has occurred on your account(s) for a period of 24 months or more, your account(s) will be deemed inactive. 'Activity' is defined as placing a trade and/or maintaining an open position during this period. Placing an

order on an account without executing a trade will not qualify as 'Activity' for these purposes. A monthly inactivity fee of \$15 (or currency equivalent) in aggregate (or your cash balance if less than \$15) will be applied for accounts that are inactive for 24 months or more.

If your account has been inactive for 3+ years we'll need to reassess your trading experience and ensure that we have your up-to-date contact details. You will need to complete our account reactivation form and a member of our Account Management Team will be in touch to let you know if we need anything further from you or to let you know that your account(s) have been reactivated.

How are staff paid?

All GCA staff are salaried employees. In addition to salary, some members of staff may be entitled to a performance-based commission and a discretionary bonus. Commissions and bonuses are calculated according to a number of factors including the general operating performance of the company.

No related body corporate of GCA nor any director of GCA or of any related body corporate of GCA receives commission attributable to the products.

Third party suppliers

The fees in this section apply where you trade directly with GCA. If you trade with GCA through an introducing adviser or referrer, that introducing adviser or referrer may have its own schedule of fees, and you should separately check them.

We can, at our discretion, enter into arrangements with third party suppliers, such as introducing brokers, who may directly or indirectly introduce you to us. GCA may pass on a proportion of the fees, dealing spread, financing charges and other charges applicable to your account to such introducing brokers as consideration for the services the introducing broker provides to you.

Dispute resolution

We have clearly laid down internal and external complaint resolution procedures. GCA also belongs to an ASIC-approved independent complaints resolution scheme, to which disputes about GCA may be referred.

If you have any complaints or queries about the service provided by us you should contact our dealers. If your complaint is not satisfactorily resolved please contact our Complaints Officer or put your complaint in writing and send it to:

The Complaints Officer
GAIN Capital Australia Pty Ltd
Compliance@cityindex.com.au

All complaints or queries will be investigated promptly and fully. Our customer services team will conduct a full investigation of your complaint or query and will report their findings to you either by telephone or in writing. If you are dissatisfied with the report given to you, you can ask our compliance department to conduct a further investigation of the matter. You will be sent a written report of the findings of this further investigation.

GCA belongs to an independent external dispute resolution

scheme, run by the Financial Ombudsman Service (FOS). This scheme has been endorsed by ASIC. Any unresolved complaints regarding GCA can, on the client's request, be referred to FOS.

FOS can be contacted toll free on 1300 780808. Alternatively, you can write to:

Financial Ombudsman Service (FOS)
GPO Box 3
Melbourne VIC 3000

Email: info@fos.org.au

Upon the referral of any complaint to FOS, we will provide you with a guide to the external dispute resolution scheme. We are bound to fully assist FOS in the investigation of customer inquiries or complaints and are bound by any decision made by FOS.

Compensation arrangement

GCA has in place a compensation arrangement which meets the requirements under section 912B of the Corporations Act 2001 (Cth) in respect of any loss or damage suffered by you due to a breach by us of our regulatory obligations. This policy covers claims made against GCA in relation to professional services provided by our current and former employees.