

MARGIN FOREIGN EXCHANGE, BULLION & CFDs

Financial Services Guide

GAIN Capital Australia Pty Ltd
trading as FX Solutions Australia
ACN 141 774 727
AFSL 345646
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FX Solutions Australia - Financial Services Guide

This Financial Services Guide ("FSG") is designed to assist clients in deciding whether to use any of the services offered by FX Solutions Australia (a trading name of GAIN Capital Australia Pty Ltd ABN 50 141 774 727 ("we"; "us"; "our")). 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. The FSG also contains 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.

We are also required to issue clients with a Product Disclosure Statement ("PDS"). 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 are required to issue a PDS to retail clients when it offers them over-the-counter (OTC) financial products. We are required to give a PDS to a retail client at the time of or before a recommendation is made to buy a financial product or an offer is made to issue a financial product. We recommend that you read this FSG together with the PDS. Terms that have been defined in the PDS and/or Customer Agreement will have the same meaning in this FSG as defined in the PDS and/or Customer Agreement.

FX Solutions Australia

FX Solutions Australia is a trading name of GAIN Capital Australia Pty Ltd ("GCL"). GCL is a company incorporated in Australia (ABN 50 141 774 727) and holder of an Australian Financial Services Licence (AFSL 345646) issued by the Australian Securities & Investments Commission ("ASIC").

GCL is a wholly-owned subsidiary of Gain Capital, and a member of the Gain Capital group of companies (which includes City Index) based in the United States of America. Gain Capital is authorised and regulated by the UK Financial Services Authority. The Gain Capital group of companies has operations worldwide, including in Europe, America and Asia.

We offer off-exchange / over-the-counter ("OTC") derivative products generically referred to as Contracts-for-Difference ("CFDs") and margined FX contracts.

How to contact us

Address: Level 1, 62 Pitt Street
Sydney NSW 2000

Postal: GPO Box 5464,
Sydney NSW 2001,
Australia

Client services: 1-201-341-2210
Direct: (02) 9270 3600
Fax: (02) 9270 3650

Email: clientservices@fxsol.com.au
Internet: www.fxsol.com.au

Services

GCL is authorised by ASIC, under its AFSL, to provide dealing and execution services in derivative products and to give general financial product advice. It acts as an issuer, market-maker and dealer in its own OTC derivative products and margined FX contracts.

The general financial product advice (i.e. advice that is not personal advice) provided by us relates only to the relevant products it offers clients, and will not take into account clients' objectives, financial situation, needs or financial markets trading experience. It does not constitute a recommendation

or opinion that our products or services are appropriate for you. As a result clients should, before acting on the advice, consider the appropriateness of the advice and the product, having regard to their own objectives, financial situation and needs. Clients should obtain a PDS and consider the contents of the PDS before making any decision about whether to use the product.

Products

The products offered by GCL under the trading name FX Solutions Australia consist of CFDs (commodity and bullion) and margined FX contracts.

CFDs and margined FX contracts are margined OTC derivatives that allow clients to profit from price movements without physical ownership of the underlying stocks 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 on an underlying currency.

Instructions

You may give us dealing instructions via our trading platform. We may, in our sole discretion, accept instructions for Trades (including closing only Trades when our trading platform is not in operation) from you by telephone or through the on-line chat facility. 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 in accordance with our Customer Agreement.

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

Fees & Charges

Depending on which CFDs or margined FX contracts are traded, our customers may be liable for fees or charges on their Account.

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We outline the fees and charges (including Account operational fees) that apply your Account and the basis of calculation for any such fees or charges in our PDS. Note that we may vary the fees and charges that apply to your Account (including the basis of calculation) from time to time and we will notify you of any such change in accordance with the Customer Agreement.

It is important that you read the PDS carefully together with this FSG so that you understand our products and services as well as the full range of fees and charges.

In general, when purchasing a CFD, the buyer agrees to pay the cash return on the notional amount of the investment in exchange for the difference in the purchasing and sale price.

In the case of index CFDs, the buyer also receives any dividend and is otherwise compensated by the seller for any corporate action (rights issue, stock split, takeover) that takes place whilst holding the bought position.

In this way, a CFD aims to fully reflect the full return that would have been earned if the transaction had taken place in the underlying market (not including personal tax).

Overnight Financing

With a long position, the buyer's account may be debited a financing fee. The interest rate applied to the value of the bought position will normally not exceed 4.0% over the current local inter-bank offered rate.

With a short position, the seller's account may be credited with financing. The interest rate will normally not be less than 4.0% below the current local inter-bank offered rate.

The actual interest rates applied in the calculation of financing (and whether or not financing will be debited/credited) will vary from time to time depending on such factors as the Instrument and Trading Leverage. Full details are contained in the PDS.

Bid – Offer Spread

Dealing spreads vary according to the instrument and reflect market conditions in the underlying financial asset. Consequently, they can vary.

The wider the bid-offer spread, the more the price of the CFD or margined FX contract must move in your favour to make a profit.

Administrative Charges

Exchange Fees

Customers may be liable to pay an exchange fee if trading CFD contracts but not margined FX Contracts. The exchange fee reflects the cost incurred by us to the Stock Exchanges for use of real-time prices in GCL's Internet Trading Platform software.

Remittance Fees

Where a customer requires same-day payment of funds, we reserve the right to charge for this service. Full details are available in the PDS.

Inactivity Fees

Where no activity has occurred on your Account(s) for a period of twelve (12) months or more, your Account(s) will be deemed inactive and we reserve the right to charge a monthly inactivity fee of USD25 to inactive Account(s) (along with any additional applicable fees). Activity is defined as making a deposit or withdrawal on your Account(s), placing a Trade and/or applying an Order on your Account(s) or maintaining

an Open Position during the period.

Remuneration

How are staff paid?

All our 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 GCL nor any director of GCL or of any related body corporate of GCL receives commission attributable to the products.

Benefits to third party suppliers

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. Any benefits those third party suppliers receive are paid out of our own funds and are not a cost to you. You may request particulars of these benefits within a reasonable time after receiving this FSG and prior to being provided with any product or service identified in this FSG.

Dispute resolution

We have both internal and external complaint resolution procedures. A copy of our dispute resolution procedure and details on how to lodge a complaint can be found on our website at www.fxsol.com.au.

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
FX Solutions Australia, a trading name of GAIN Capital Australia Pty Ltd
compliance@fxsol.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.

We belong 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 GCL 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

Professional Indemnity Insurance

GCL has professional indemnity insurance in place which satisfies the requirements for compensation arrangements for the provision of financial services to retail clients pursuant to the Corporations Act 2001 (Cth). This policy covers claims made against GCL in relation to the provision of professional services by current and former employees to our customers.