Product Disclosure Statement

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1. Key information

NAG Markets Limited known as ***NAG, it, its, we, our, ours***, is the issuer of the products described in this Product Disclosure Statement (***PDS***). Should you have any query about this document, please contact us as follows:

NAG Contact Details:

Issuer: NAG Markets Limited
Contact Address: Suite 2, Level 3, 64 Talavera Road, Macquarie Park, NSW 2113, Australia.

Website: www.nagsyc.com or elsewhere as nominated by NAG from time to time

Purpose:

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

- provide you with the information you need to determine whether the products NAG offers are appropriate for your needs;
- explain the terms and conditions, rights and obligations associated with NAG products; and
- help you to compare products.

Warning: Trading in margin contracts (including CFDs) involves the potential for profit as well as the risk of loss which may vastly exceed the amount of your initial investment and may not be suitable for all investors. Movements in the price of the margin contract's underlying asset (e.g. foreign exchange rates or commodity prices) are influenced by a variety of unpredictable factors of global origin. Violent movements in the price of the underlying asset may occur in the market and as a result you may be unable to settle adverse trades. NAG is unable to guarantee a maximum loss that you may suffer from your trading.

When you open a trading account with NAG, you will be provided with separate documents titled "Terms & Conditions" and "Client Trading Agreement". The documents contain terms and conditions that govern NAG's relationship with you. You can obtain free copies of the documents by contacting NAG or visiting NAG's website on www.nagsyc.com.

This PDS is only applicable to Retail Clients. If you are a Wholesale / Professional Client, providing you with this PDS does not mean we wish to treat you as a Retail Client.

2. What is NAG authorised to do?

NAG is authorised to:

- Deal in Derivatives and Foreign Exchange Contracts. This means that NAG can give general advice without taking into consideration your personal circumstances, about FX, commodities, indices related trading and the general state of the relevant markets. NAG can also help you open a trading account which provides access to NAG's trading platform services.

- "Make-A-Market" for foreign exchange and derivatives contracts. This allows NAG to quote market prices to you, including buy and sell prices.

Before using the products referred to in this PDS you should make sure you understand the content of the PDS, consider your objectives, financial situation, needs and take all reasonable steps to fully understand the possible outcomes of trades and strategies that can be employed using NAG's trading platforms. NAG recommends that you seek independent financial advice to ensure that a particular product is suited to your financial situation and requirements. There are two broad types of product that you can trade with NAG:

- Margin Foreign Exchange Contract (***Margin FX Contract***);
- CFDs over Underlying Instruments (including Metals, Indices and Energy).

3. Margin FX Contracts

Margin FX trading contracts are agreements between you and NAG which allow you to make a gain or loss, depending on the movement of underlying currencies. The contract derives its value from underlying currencies (usually referred to as a Currency Pair) which is never delivered to you, and you do not have a legal right to, or ownership of it. Rather, your rights are attached to the contract itself. The money you receive or pay is dependent on whether the currency you choose moves in your favor. If it does, then you will make a gain and your trading account will be credited. If it does not, then you will make a loss and your trading account will be debited. The contract only requires a deposit which is much smaller than the contract size (this is why the contract is "margined" or "leveraged").

This is how NAG Margin FX and CFD derivatives trading services work:

Step 1: First, you must set up a trading account with NAG.

Step 2: After which, you need to deposit an Initial Margin of an Account Base Currency into your newly established NAG trading account before you start trading. You may deposit an Initial Margin (see the Example below). NAG will tell you what amount you need to deposit before you make the deposit. NAG accepts a variety of currencies. You may need to convert your currencies into a required Account Base Currency through your bank and deposit the money into your NAG trading account. Your bank may charge you for this service.

Example

You can deposit a percentage (typically 1%) of a notional contract amount of USD 100,000 for a USD contract. In this example, USD 1,000 (1% x USD 100,000) is your initial margin.

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

- You can only deposit up to USD 1,000 or equivalent on initial credit card funding. The reason for this limit is that, by using your credit card, you may be exposed to "double leverage". Should you experience trading losses, there is a higher risk of not being able to hold sufficient funds to maintain margins on an ongoing basis or entering financial difficulty.

- NAG does not accept any **cash deposits** and **third-party payments**. Please keep in mind that restrictions on third party payments are set by banks and our regulators, which have developed extensive laws, regulations and policies to stop money laundering activities.
- Opening collateral is referred to in this PDS as Initial Margin.

Step 3: You are now ready to trade. When you log in to the NAG's online trading platform, you will see prices which reflect different currency pairs. You can buy a contract, which is a financial product that derives its value from an underlying currency or currency pair. NAG will provide you with a quote setting out the price of the contract. You can enter a contract with NAG online (via the online trading platforms) or over the phone at a Spot Rate of Exchange that is quoted by a dealer from NAG.

Example

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

You can buy or sell a Margin FX contract. When you buy or sell, you are opening your position. When you buy, you buy at the "ask" price, and when you sell, you sell at the "bid" price.

Example

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

Each contract's size can be any amount equals to 1,000 or in multiples of 1,000 of a particular trading currency. Remember: what you are actually buying or selling is a contract – not the currency itself.

Step 4: You then choose when to sell or buy in order to close your position. To close your position, you need to do what you did under Step 3 above, with the intention of closing the trade.

Step 5: The profit or loss resulting from the trade will be credited to or debited from your trading account. NAG has trading rules (including "Forced Liquidation" which is explained at page 8, and an "Initial Margin" requirement which is explained above) to help you limit any losses. The trading rules also help reduce (but not avoid) the risk that you will lose more than your initial investment (see the section titled "Significant Risks" at page 14). NAG usually offers settlement of trades on a T+0 basis. This means that your trading account will be credited or debited instantaneously after you close your position.

Example

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

Opening the position	
Buy 1 lot EURUSD at ask price: Contract Value = lot x contract size x market price	1 x 100,000 x 1.24619 = USD 124,619.00 (Contract Value)
The leverage level set on your account is 100:1. That means that NAG requires an Initial Margin to be deposited into NAG’s trading account, which is 1% of the contract value.	USD 124,619 x 1% = USD 1,246.19 (Initial Margin)
NAG earns a Spread on the bid and ask prices it quotes to you. In this example, the difference is 0.00018 (also known as 1.8 “pips”), which amounts to USD 18.00 in contract value. It is built into the price when you clicked “buy” and again when you click “sell”.	1 x 100,000 x (1.24619 – 1.24601) = USD 18.00
Rollover Interest	
When a position is held open overnight (when it passes 20:59:59 GMT during Daylight Saving Time), you are paid or charged an interest. Rollover Interest (Swaps) is calculated based on the end of day price of the product. However, for the simplicity in our example, we will use the open price as end of day price. The Rollover Interest Rate (Swap Rate) can be found on the Product Specifications page of our website. Example: If Rollover Interest Rate (Swap Rate) of buying EURUSD is -2.20%, you buy 1 lot of EURUSD. Rollover Interest (Swaps) = (Contract Value x Buy Swap Rate) / 360	(1 x 100,000 x (-2.20%) x 1.24619) / 360 = - USD 7.62
Closing the position	

The next day the price of EURUSD has increased by 10 pips to 1.24701 (bid) / 1.24719 (ask). The trade has moved in your favour and you decide to take your profit and close the position by selling at the bid price.	1 x 100,000 x 1.24701 = USD 124,701.00
Your gross profit is the difference between the opening position and the closing position.	USD 124,701 – USD 124,619 = USD 82.00
Your net profit is the gross profit less the costs which may include the rollover interest (if it applies). The Spread was built into the price, which included USD 18.00 in this example**.**	USD 82.00 – USD 7.62 = USD 74.38

Summary: In the above example, you must deposit at least USD 1,246.19 to cover your Initial Margin requirement, and you have made a total gain of USD 74.38. In that example, if the price had decreased by 10 pips instead of increased, you would have made a loss of USD 125.62.

Note: More detailed explanations are set out under the heading "**The Costs in Using NAG Products**" below. Also note that all margin and swap rates vary depending on the type of trading account used. Please refer to the Product Specifications document on NAG website for more details.

4. CFDs

When trading a CFD, you and NAG agree to exchange the difference in value of the CFD between when the CFD is opened and when it is closed. You will either be entitled to be paid an amount of money (if the value of the CFD has moved in your favour) or will be required to pay an amount of money (if the value of the CFD has moved against your favour).

You can keep a CFD trade open for as long as you are able to meet your margin requirements prior to the CFD expiry date as set in the NAG Expiring Futures CFD Contracts Schedule. For more detail, please refer to NAG website. CFD transactions are closed by making a closing trade. NAG may, upon your request and subject to a fee, agree to implement a stop loss order or limit order in respect of a CFD trade. Compliance with any such order is subject to prevailing market conditions. See section 6 of this PDS for a description of these features.

NAG offers CFD contracts over the following Underlying Instruments:

- Metals
- Indices
- Energy

The Underlying Instruments are discussed in more detail below.

In the same way as described in section 3 above, NAG does not deliver the physical underlying assets, such as gold or silver, to you, and you have no legal right to them. Rather, settlement is made by cash based on the difference between the opening and closing prices of the contracts.

Metals CFD

Metal trading operates in the same manner as foreign exchange trading, except the underlying asset is Loco London Gold (***Spot Gold***) and Loco London Silver (***Spot Silver***), all of which have prices quoted in U.S. Dollar.

When using NAG's services, you can trade on the quoted rate for Spot Gold and Spot Silver. The examples below show a winning and a losing Spot Gold CFD trade. Although there are no examples showing Spot Silver CFD trades, the mechanisms are the same as Spot Gold, except the quoted rate are the prices of Spot Silver, not the Spot Gold.

Example

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

Opening the position	
Buy 1 lot Spot Gold CFD at ask price: Contract Value = lot x contract size x market price	1 x 100 x 1,314.35 = USD 131,435.00 (Contract Value)
The leverage level set on your account is 100:1. That means that NAG requires an Initial Margin to be deposited into NAG's trading account, which is 1% of the contract value.	USD 131,435 x 1% = USD 1,314.35 (Initial Margin)
NAG earns a Spread on the difference between the bid and ask prices it quotes to you. In this example, the Spread is USD 0.50, which amounts to USD 50.00 in contract value. It is built into the price when you clicked "buy" and again when you click "sell".	1 x 100 x (1,314.35 – 1,313.85) = USD 50.00
Rollover Interest	

When a position is held open overnight (when it passes 20:59:59 GMT during Daylight Saving Time), you are paid or charged an interest. Rollover Interest (Swaps) is calculated based on the end of day price of the product. However, for the simplicity in our example, we will use the open price as end of day price. The Rollover Interest Rate (Swap Rate) can be found on the Product Specifications page of NAG website. Example: If Rollover Interest Rate (Swap Rate) of buying Spot Gold is -3.10%, you buy 1 lot of Spot Gold CFD. Rollover Interest (Swaps) = (Contract Value x Buy Swap Rate) / 360	(1 x 100 x (-3.10%) x 1,314.35) / 360 = - USD 11.32
<u>Closing the position</u>	
The next day the price of Spot Gold has increased by USD 10.00 to 1,323.85 (bid) / 1,324.35 (ask). The trade has moved in your favour and you decide to close your position.	1 x 100 x 1,323.85 = USD 132,385.00
Your gross profit is the difference between the opening position and the closing position.	USD 132,385 – USD 131,435 = USD 950.00
Your total net gain is the gross gain less the costs and swaps (if applies). The Spread was built into the price and included USD 50.00 in this example.	USD 950.00 – USD 11.32 = USD 938.68

Summary: In the above example, you will have to deposit at least USD 1,314.35 as your Initial Margin on this trade and made a profit of USD 938.68. On the contrary, if the price of Spot Gold has decreased by USD 10.00 instead of increased, you would have made a loss of USD 1,061.32.

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

5. Forced Liquidation and Margin Calls

If the Margin Level in your trading account drops below a predetermined level set by us (e.g. 30% of Initial Margin, or 0.3% of the notional contract amount) or if NAG exercises its discretion, then it is entitled to close out your position at the prevailing market rate without notice to you. NAG could do this in order to minimize trading risk and deduct the resulting realized loss from your remaining funds held by us. You will remain liable for any negative balance which cannot be covered by the closing out of your positions.

Example

You deposited USD 2,000.00 to cover your Initial Margin requirement. You think that the EUR will depreciate against the USD in the near future. You see that the price quoted by NAG on the EURUSD Currency Pair is 1.24701 (bid) / 1.24719 (ask). On the next day the price of EURUSD has increased by 10 pips to 1.26313 (bid) / 1.26331 (ask). The “bid” price is the sell price, so you sell a contract of EURUSD, at NAG’ standard contract size, which is 100,000 (1 lot). You want to buy it later at a lower price, in order to close your position.

pening the position	
Sell 1 lot EURUSD at bid price: Contract Value = lot x contract size x market price	1 x 100,000 x 1.24701 = USD 124,701.00 (Contract Value)
The contract leverage level set on your account is 100:1. That means that NAG requires an Initial Margin from you to be deposited into NAG’s trading account, which is 1% of the contract value.	USD 124,701.00 x 1% = USD 1,247.01 (Initial Margin)
NAG earns a Spread on the difference between the bid and ask price it quotes to you. In this example, the Spread is 0.00018 (known as 1.8 “pips”), which amounts to USD 18.00. It is built into the price when you clicked “sell” and again when you click “buy”.	1 x 100,000 x (1.24719 - 1.24701) = USD 18.00
Rollover Interest	
When a position is held open overnight (when it passes 20:59:59GMT during Daylight Saving Time), you are paid or charged an interest. Rollover Interest (Swaps) is calculated based on the end of day price of the product. However, for the simplicity in our example, we will use the open price as end of day price. The Rollover Interest Rate (Swap Rate) can be found on the Product Specifications page of our website. Example: If Rollover Interest Rate (Swap Rate) of selling EURUSD is 0.70%, you sell 1 lot of EURUSD, Rollover Interest (Swaps) = (Contract Value x Sell Swap Rate) / 360	(1 x 100,000 x (-0.70%) x 1.24601) / 360 = - USD 2.42
Closing the position	
Next day the price of EURUSD increased by 163 pips to 1.26313 (bid) / 1.26331 (ask). The trade has moved against you, your Margin Level has dropped below 30% and reached Forced Liquidation level. NAG forced to close of your position to limit your trading risk.	1 x 100,000 x 1.26331 = USD 126,331.00
Your total loss is the gross loss less the costs and swaps (if applies). The Spread was built into the price and included USD 18.00 in this example.	(USD 124,701.00 – USD 125,331.00) - USD 2.42 = - USD 1,632.42

Summary: In the above example, you deposited USD 2,000.00 to cover your Initial Margin requirement, and when you had a floating loss of USD 1,632.42 the Margin Level dropped below 30% and reached the Forced Liquidation level.

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

In addition to Forced Liquidation, NAG may margin call your position while a trade is open. However, NAG does not guarantee that it will call you for this. See the section below titled "**Margin Calls**" for more detail.

Margin Calls

Accounts with Margin Level close to the Margin Call Level are displayed in the corresponding window of your trading software and are monitored by NAG at all times.

If the Margin Level in your trading account drops below a predetermined level set by us (e.g. below 80%) or if NAG exercises its absolute discretion, then it is entitled to request further deposits from you immediately, or it will close out your position at the prevailing market rate without further notice to you when it falls below 80%. NAG could do this in order to minimize trading risk and deduct the resulting realized loss from your remaining funds held by us. You will remain liable for any negative account balance which cannot be covered by the closing out of your positions.

Where NAG effects or arranges a transaction involving a CFD or Margin FX contract, you should note that, depending upon the nature of the transaction, you may be liable to make further payments when the transaction fails to be completed or upon the earlier settlement or closing out of your transaction. You will be required to make further variable payments by way of margin against the purchase price of the financial instrument, instead of paying (or receiving) the whole purchase (or sale) price immediately. The movement in the market price of your investment will affect the amount of margin payment you will be required to make.

You will have access to the trading platform where you can monitor Margin Call Levels. You agree to pay NAG on demand such sums by way of margin as are required from time to as NAG may, at its sole discretion, reasonably require for the purpose of protecting itself against loss or risk of loss on present, future or contemplated transactions under the Terms & Conditions. You must note that if at any time equity (current balance including open positions) is equal to or less than a level of the margin (collateral) occupied by open positions as set out on the NAG' website, NAG is entitled at its sole discretion to close one or all open positions in order to meet the margin requirements. Levels at which positions start to close are set out in NAG Terms & Conditions on NAG website at [www.nagsyc.com.](http://www.nagsyc.com)

Example:

Opening the position	
Sell 1 lot EURUSD at bid price: Contract Value = lot x contract size x market price	1 x 100,000 x 1.24601 = USD 124,601.00 (Contract Value)
The leverage level set on your account is 100:1. That means that NAG requires an Initial Margin to be deposited into NAG's trading account, which is 1% of the contract value.	Required margin: USD 124,601.00 x 1% = USD 1,246.01
Margin Call	
If your total equity falls below 50% of the required margin, NAG will execute a Margin Call.	Margin Call Level: USD 1,246.01 x 50% = USD 623.01
Let's say your total equity in your trading account is USD 2,000.00. Then your equity will need to drop to USD 623.01 before a Margin Call is triggered.	USD 2,000.00 – USD 623.01 = USD 1,376.99 of loss for margin call to be triggered
Once you have reached the Margin Call Level, NAG will inform you. (this is not guaranteed)	

As noted on page 2 of this PDS, trading in Margin FX contracts and CFDs involves the risk of losing substantially more than your initial investment.

6. Managing Risks

NAG offers features on NAG's trading platform helping you control trading losses.

Stop Loss

Stop loss is an order placed to close an open position when it reaches a certain unfavourable price. A stop-loss order is designed to limit your loss on a position.

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

Buy Limit

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

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

Sell Limit

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

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

Buy Stop

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

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

Sell Stop

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

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

Trailing Stop

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

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

Usually this order is placed to lock in trading profits.

7. Conversion of Currency

Your trading account with NAG is normally denominated in an Account Base Currency that you select at the time of opening your trading account. In order to trade, you may need to convert existing funds into the Account Base Currency. For example, you can buy or sell a Spot Gold or Spot Silver CFD with NAG using USD. If you deposit Australian dollars into your trading account, you will have to select AUD as your Account Base Currency.

You can use your own bank to convert your existing funds into the Account Base Currency. The bank may charge you for this service.

NAG will convert the realized trading profit or loss in your trading account into the Account Base Currency at the closing price of the relevant currency immediately preceding the trade day.

8. Significant Benefits

The significant benefits of using NAG's services are:

- **Hedging**
  You can use NAG's trading facilities to hedge your exposures to the Underlying Instruments. Any profit (or loss) you make using NAG's trading facilities would be offset against the higher (or lower) price you physically have to pay for the currency, index, commodity or other asset at the future date.

- **Speculation**
  In addition to using NAG's trading facilities as a hedging tool, you can benefit by using the quoted underlying currency or CFD prices offered by NAG to speculate on changing price movements. Speculators seek to make a profit by attempting to predict market moves and buying a contract that derives its value from the movement of an underlying currency or commodity for which they have no practical use. The examples of margin FX contract dealing and Spot Gold CFDs above illustrate trades where a client is entering into a speculative trade, based upon a belief that the market will move in a particular direction.

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

- **Real time streaming quotes**
  NAG's online trading platforms provide real time quotes. You may check your trading accounts and

positions in real-time and you may enter into currency and CFD trades based on real-time information.

- **Control over your trading account and positions**
  When using NAG's trading facilities NAG allows you to place stop loss limits on your trades. This means that if the market moves against you NAG will close out your position in accordance with your stop loss order. However, please refer to the risk factors set out below, which highlight the risk to you that in a volatile market NAG may not be able to close out your position until after the stop loss limit is exceeded. If this occurs you may lose more than you deposited.

9. Significant Risks

There are number of risks in trading Margin FX contracts and CFDs. These risks may lead to unfavorable financial outcomes for you. Monitoring of any risks associated with NAG's trading facilities is **your responsibility**. You should seek independent legal, financial and taxation advice prior to commencing trading activities and you should not use NAG's services unless you fully understand the products, and the benefits and risks associated with them. Some of the risks associated with using NAG Margin FX contract and CFD trading facilities include:

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

- **Market Volatility**
  Foreign exchange and commodity markets are subjected to many influences which may result in rapid fluctuations. Because of this market volatility, there is no Margin FX contract or CFD transaction or stop loss order which is available via NAG's online trading platform that can be considered "risk free".

  Given the potential levels of volatility in foreign exchange markets, it is recommended that you closely monitor your transactions at all times. You can manage some of the downside risk by the use of stop loss orders. If you use a stop loss order, NAG will close your position if the Underlying Instrument reaches a level specified by you in advance. However, in a volatile market, there may be a substantial time lag between order placement and execution. This can mean that the entry or exit price may be significantly lower or higher than the price at which the sell (or buy) order (including a stop loss order) was placed. This is known as "Gapping", and NAG does not guarantee that the stop loss order will be successful in limiting your downside risk, which may be greater than you initially anticipated.

- **Leverage Risk**
  Trading Margin FX contracts and CFDs involves a high degree of leverage. You can outlay a relatively small Initial Margin which secures a significantly larger exposure to an Underlying Instrument. The use of products like this magnifies the size of your trade, so your potential gain and loss are equally

magnified. You should closely monitor all your open positions. If the market moves against you and your Initial Margin deposit is diminished, NAG may automatically close out your position once pre-set limits are triggered (refer to the example of Forced Liquidation). Any remaining balance will be returned to you.

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

- **Counterparty Risk**

  You are dealing with us as counterparty in every transaction, thus you are also exposed to us in relation to each transaction. In all cases, you are reliant on NAG's ability to meet its obligations to you under the terms of each transaction. This risk is described as counterparty risk.

  The products in this PDS are not protected by a licensed exchange, also known as a central counterparty. Instead, the products are "Over-The-Counter" derivatives. This means that you are contracted directly with NAG and subjected to NAG's credit risk. If NAG's business becomes insolvent, NAG may not be able to meet its obligations to you. You can assess NAG's financial ability to meet these counterparty obligations by reviewing financial information about NAG. You can obtain a free copy of NAG's financial statements by contacting NAG staff using the details at the start of this PDS.

  NAG may choose to limit its exposure to its clients by entering matching transactions with hedging counterparties as principal in the wholesale market. However, there is also a risk that a hedging counterparty (which may include one of NAG's related entities) that NAG deals with may become insolvent. When this occurs, NAG may become an unsecured creditor of the hedging counterparty.

  NAG has a policy which involves prudent selection of hedging counterparties. Only a hedging counterparty of good global reputation and sufficient financial standing will be selected. One of NAG's primary hedging counterparties is NAG's holding company, NAG Holdings Limited which is registered in the British Virgin Islands. It, in turn has third party liquidity providers which are Tier One and Tier Two Liquidity Providers.

- **System Risks**

  NAG relies on technology to provide its trading facilities to clients. A disruption to the facility may result in your failure to trade when you want to. Alternatively, an existing transaction may be aborted as a result of a technological failure. An example of disruption includes the "crash" of the computer systems used to operate the online facility. NAG manages this risk by having advanced IT systems and backup measures.

- **Cyber Security Risks**

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

- **Fees and Charges**

  It is possible that you enter into a trade with us and the price of the underlying Instrument moves in your intended direction, but you still end up with less than you started after closing your position. This can happen because of the combined effect of the Spread between bid and ask prices, and the negative rollover interest which could apply on consecutive days that a contract is held open.

- **Use and Access to NAG website**

  You are responsible for providing and maintaining the means by which you access NAG website. These may include, without limitation, personal computer/smart phone/tablet/modem and telephone or other access system available to you.

  While the internet is generally reliable, technical problems or other conditions may delay or prevent you from accessing NAG website. If you are unable to access the internet and thus, NAG's online facility, it may mean you are unable to enter asset transactions when desired and you may suffer a loss as a result. NAG is not responsible for any loss which you sustain as a result of being unable to access the internet.

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

  In the event that trading in an underlying Instrument is being suspended, NAG has discretion to re-price open positions, close out positions, or change the margin requirements on a position. NAG would widen the Spread if there is an increased risk of illiquidity in the market in which the underlying Instrument is traded.

- **Latency and Price Feed Risk**

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

- **Third Party Trading**

Third party trading can be risky. Third party trading services are often called “money managers”, “expert advisers” or “mirror trading plugins”. They may allow you to mirror trades made by third party asset managers and may claim to exploit price latency across platforms or markets. They may promise exceptional returns and NAG’s platform may allow you to plug in or otherwise connect to these “third parties”. Some providers of third-party plugins may charge you fees, and others do not. Despite NAG’s offering of such products, NAG is not responsible for, and will not indemnify you for losses which arises out of your reliance on any statements made by their makers or promoters, or any loss incurred in connection with third party plugins that you used.

Key risks when using third party trades or software include:

- You can lose control of your trades and suffer financial loss.
- Any software may stop working and you will be stuck with open positions and possibly suffer financial loss.
- You can lose more than your initial deposit.
- It may result in you being margin called (see section 7 of this PDS titled “Margin Calls”) and your positions may be liquidated.
- Some are offered by fraudulent or illegal / underground entities in remote parts of the world.
- Some create or are otherwise affected by price latency which may result in significant losses on your trading account due to inaccurate pricing.

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

10. The costs in using NAG products

For information about the costs, fees and commissions that may be payable in relation to the products described in this PDS. You can find this information (with worked examples) in this PDS and Product Specifications on NAG’s website.

11. How does the online trading platform work?

See the heading “Margin FX contracts” above for a detailed explanation and example of how NAG’s trading platform works. To make a trade using NAG’s online trading platforms:

- You must first register with NAG by filling out the registration form from NAG website www.nagsyc.com by providing requested client information and setting an NAG online user name and password. The password you set during registration is also the trading password for your online trading account.

- Secondly, you must fill out the NAG’s trading account opening form which was either provided to you at the same time as this PDS or can be located at www.nagsyc.com. A pre-condition to your successful registration is an acknowledgement by you that you have read this PDS and agreed to be bound by NAG's Terms & Conditions and Clients Trading Agreement. Another pre-condition is that you meet NAG's client qualification criteria, which is explained in section 3 of this PDS in more detail. There may also be other terms and conditions that you will need to agree to depending on your jurisdictions.

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

- You can download the NAG online trading platform software from NAG website www.nagsyc.com. You can then use your trading account number and password to login after installation.

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

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

12. How much money do you need to trade?

Before you can trade, you need to deposit with us an Initial Margin.

- This is typically set at at least 1% of the contract value in the case of Margin FX contracts. However, NAG will tell you the amount of Initial Margin required before you trade. NAG may vary the Initial Margin at NAG's own discretion.

Example: You need to deposit USD 100.00 for a contract with a notional value of USD 10,000.00.

- There is no typical percentage of the contract amount in the case of CFDs. Each CFD has its specified Initial Margin. You may learn more about actual Initial Margins of CFDs at the page of Product Specifications of NAG website. NAG may vary the Initial Margin at NAG's own discretion.

Example: You need to deposit USD 3,000.00 for a CFD with a notional volume of 1,000 barrels (Brent Crude Oil Futures CFD).

How does NAG handle your money?

The funds in your trading account will be held in a designated account (also known as a trust account). Funds deposited by NAG's clients are segregated from NAG's money and held in a designated account in accordance with local laws.

By using NAG's services, you relinquish the right to any interest on funds deposited in NAG's designated client accounts. Individual client's funds are not separated from each other but are pooled together. The pooled money is held on trust for you until you request for withdrawal, or otherwise provide us with a legal right to that money because of entitlements (such as outstanding fees) owed to us or in such other circumstances as referred to in NAG Terms & Conditions, which are set out on NAG website.

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

Example
If you hold a position overnight [i.e. holding a position from 21:59:59GMT onwards (20:59:59GMT during U.S. Daylight Saving Time)], and you are charged a rollover interest, then that money is deducted from your trading account balance instantly.

If you are a Retail Client, we cannot use your money for our own capital purposes, or to hedge with our liquidity providers. We will use our own funds, and we may use Professional Client funds for these purposes, subject to our Terms and Conditions. We typically hold the equity balance displayed in your account, in our client money account. Client money typically includes:

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

Sometimes there may be a discrepancy in the balance shown to you via the online trading platform, and the amount of client money we hold. That may be because of a pricing feed error, uncleared funds, software malfunction, if we have extended credit to you, or if we otherwise taken action under our Terms and Conditions, which may include freezing your account if you, breach the Terms and Conditions.
You can ask us for records of the money we have received from you, on your behalf of, or for your benefit, where that money was client money. We will provide you with the records within 5 business days or such longer period as we may agree to in writing, with you.

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

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

13. Terms & Conditions & Client Trading Agreement

NAG Terms & Conditions and Client Trading Agreement, are set out on NAG website www.nagsyc.com and must be read and agreed to before a contract is entered into.

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

- This PDS
- NAG Terms & Conditions
- Client Trading Agreement

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

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

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

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

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

When you use NAG's services, you promise that you will not breach any law in the countries we are regulated or any other country you are based in.

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

NAG may impose volume limits on client trading accounts at its sole discretion.

14. Trading Facilities

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

15. Providing Instructions by Telephone

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

16. Tax Implications

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

17. What are NAG different roles?

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

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

18. Dictionary

- **Account Base Currency** refers to the currency in which your trading account is denominated, and also refers to the currency on the left of a quoted trading pair. Any profit or loss on a trade is converted into the Account Base Currency. See Step **3** of Section 3 of this PDS for an example.
- **Business Day** refers to a day on which commercial banks are open for business (including dealings in foreign exchange) in Australia and the host countries of the relevant currencies, indices, commodities or other assets (e.g. shares).
- **Contract for Difference (*CFD*)** is a leveraged financial instrument that changes in value by reference to fluctuations in the price of an Underlying Instrument such as the price of gold or silver.
- **Currency Pair** refers to the value of one named currency relative to another named currency.
- **EUR** refers to the Euro – the official currency of the European Union.
- **Forced Liquidation** is described in Section 5 of this PDS.
- **FX** means Foreign Exchange.

- **Initial Margin** is the initial deposit required by you before you can trade with NAG. See Step 2 in Section 3 of this PDS.
- **Loco London Gold and Loco London Silver** refer to the place at which gold is physically held and to which a particular price applies. Loco London Gold means not only that the gold is held in London but also that the price quoted is for delivery there.
- **Margin Call Level** refers to the correlation between your available equity and the margin required to maintain your position held. It is calculated as a percentage by dividing your Trading Account Equity by the Initial Margin Required.
- **Margin Level** refers to the equity or balance of funds in your trading account and is calculated as a percentage by dividing your trading account equity by your used margin.
- **Metals** refers to Spot Gold, Spot Silver.
- **PDS** means this Product Disclosure Statement.
- **Representative** includes a director or employee of NAG, and a director or employee any of company related to NAG, as well as any other entity that is appointed as an authorised representative of NAG.
- **Retail Client** means a customer or potential customer of NAG who is not a Professional Client.
- **Spot Rate** refers to the price that a Currency Pair or commodity is quoted at, for an immediate "on the spot" transaction. All prices quoted by NAG are quoted using the Spot Rate.
- **Spread** is the difference between bid and ask prices for a particular Underlying Instrument and is available on NAG website www.nagsyc.com.
- **Terms & Conditions** refers to the terms and conditions that you are required to agree to before you can use the products described in this PDS. They are available on NAG website www.nagsyc.com, and are incorporated by reference into the PDS. You can obtain another free copy of this document by contacting NAG staff using the details at the start of this PDS.
- **Underlying Instrument** means a Currency Pair, Index, Metal and Energy.
- **USD** refers to the United States Dollar.