



Product Disclosure Statement

Eightcap Embedded Derivatives



HIGH RISK INVESTMENT WARNING

CFDs involve a high level of risk and can result in significant losses. CFDs are not suitable for everyone. A full explanation of the risks associated with CFD trading is set out below. You should read this document, along with the Client Agreement and ensure you fully understand all the risks associated with our products and service offering before opening an Account with us.

Eightcap is committed to promoting responsible trading practices. If you believe you are experiencing issues and/or addiction with speculative trading you have the right to self-exclude from your Trading Account, please see the Client Agreement for further details.

1 Introduction

Eightcap Pty Ltd (ACN 139 495 944) (**Eightcap, we, our, us**) is the product issuer and is responsible for the preparation and publication of this Product Disclosure Statement (**PDS**). Swyftx Pty Ltd (ACN 623 556 730) (**Swyftx**) is a distributor of the products, as further set out herein. We hold an Australian Financial Services Licence (AFSL 391441) and are regulated by the Australian Securities and Investments Commission (**ASIC**). Swyftx is an Australian Financial Services Licensee (AFSL 568543). Swyftx acts as a Distributor of the Derivatives Trading Platform, providing you general financial product advice and arranging for Contracts for Difference (**CFDs**) issued by us to be made available for you to trade.

Before deciding whether to open an Account to trade CFDs issued by us, you should carefully consider the contents of this PDS to determine whether our product is suitable for you.

We have prepared this PDS to provide key information on the features and risks of our products. The contents of this document are intended only for Australian Retail Clients and is not intended for distribution in jurisdictions outside Australia or for any person who is considered by us to be a Wholesale Client.

Nothing in this PDS should be taken to constitute a recommendation, personal financial product advice, or opinion. It is general information only. **We recommend that you obtain independent financial and/or taxation advice before deciding to trade our product.**

2 Other documents you will receive from us

Before opening an Account on the Derivatives Trading Platform you will receive the following documents from Swyftx:

- (a) this PDS; and
- (b) the Client Agreement—

together, these documents outline your and our rights and obligations, the risks of our product, and the processes and procedures we will follow when interacting with you.

As Swyftx provides general financial product advice, they will provide you with their own Financial Services Guide. Swyftx may also issue you with other documents that, among other things, govern your use of the Derivatives Trading Platform. Eightcap is not a party to these additional agreements and you should contact Swyftx directly if you have further questions in relation to those documents.

2.1 Interpretation

To the extent that the terms of the Client Agreement are inconsistent with the terms of this PDS, the terms of this PDS will apply to the extent of that inconsistency.

2.2 The Target Market Determination

As part of its Design and Distribution Obligations (**DDO**) Eightcap publishes a Target Market Determination. This document outlines the target market for our CFD products. You acknowledge and agree that Swyftx acts as a Distributor of the CFD products and is required to take reasonable steps to ensure its distribution

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conduct is consistent with Eightcap's Target Market Determination. The Target Market Determination can be found on the Eightcap Website and the Swyftx Website.

3 Contacting Us

You can contact us in the following ways—

Mail Level 35, Rialto South Tower,
525 Collins Street, Melbourne,
3000, Australia

Phone +61 3 8373 4800

Email customerservice@eightcap.com

Web www.eightcap.com

4 Complaints Generally

Complaints about our CFD products, trade execution, pricing or margin issues are dealt with under our Complaints Management Policy, this can be found on Eightcap's or Swyftx's website. For any complaints or disputes relating to general financial product advice provided by Swyftx or regarding the operational performance, access or technology of the Derivatives Trading Platform, you must lodge your complaint directly with Swyftx to be dealt with under its complaints management process. If we or Swyftx (as applicable) are unable to resolve your complaint to your satisfaction, we or you may refer complaints to the relevant external dispute resolution scheme.

Eightcap and Swyftx are members of the Australian Financial Complaints Authority (**AFCA**). Refer to section 17 below for further information on our Complaint management Policy.

AFCA can be contacted in the following ways—

Mail GPO Box 3, Melbourne,
Victoria, 3001, Australia

Phone 1800 931 678

Fax (03) 9613 6399

Email info@afca.org.au

Web www.afca.org.au

5 Benchmark Disclosure

ASIC has developed seven disclosure benchmarks for over-the-counter (**OTC**) derivative providers that help Retail Clients understand the complexity and risks associated with CFD products.

This section outlines which benchmarks we meet, how we meet them and details of where you can find more information about them in this PDS.

5.1 Benchmark One: Client Qualification

What is it: This benchmark addresses our policy on Retail Client qualification for OTC derivative trading.

Benchmark Met: Yes

Description:

Before you will be permitted to open an Account on the Derivatives Trading Platform, you will be assessed on your understanding of and experience with CFDs.

To meet our minimum qualification requirements, you will need to answer a series of questions during the online application process and/or complete a separate qualification assessment. You will need obtain a score that Eightcap deems to be satisfactory to be eligible to open an Account.

The qualification test may include a series of questions that assess the following:

- (a) your previous experience in investing in financial products, including securities, derivatives and/or digital assets;
- (b) your understanding of the concepts of leverage, margins and volatility;
- (c) your understanding of the nature of CFD trading, including that CFDs *do not* provide investors with interests or

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rights in the Underlying Asset over which a position is taken;

(d) your understanding of the processes and technologies used in trading; and

(e) whether you are prepared to monitor and manage the risks of trading.

5.2 Benchmark Two: Opening Collateral

What is it: This benchmark addresses our policy on the types of assets accepted from investors as opening collateral.

Benchmark Met: No

Description:

We only accept fiat currencies for the opening of an Account. No other collateral (such as securities or real estate) is accepted.

This is because assets other than fiat currency as opening collateral may expose you to a greater risk of financial difficulty or stress if you experience trading losses.

We meet this benchmark as Clients are only able to transfer fiat currency into the Derivatives Wallet out of their Spot Wallet on the Swyftx Platform with a positive fiat currency balance. Notwithstanding this, Swyftx may allow you to deposit more than \$1,000 as initial funding into the Spot Wallet with a credit card payment. Eightcap has no control over Swyftx's initial funding mechanisms.

5.3 Benchmark Three: Counterparty Risk – Hedging

What is it: This benchmark addresses our practices in hedging the risk we face from Retail Client Positions and the quality of this hedging.

Benchmark Met: Yes

Description:

We have a written Counterparty Hedging Policy to manage our exposure to market risk from client Positions. This policy sets out the factors Eightcap considers when selecting its hedging counterparties and discloses the names of all current hedging counterparties. Further information in relation to our hedging activity can be

found in section 14.4 below.

Please contact us for our full Counterparty Hedging Policy.

5.4 Benchmark Four: Counterparty Risk – Financial Resources

What is it: This benchmark addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements.

Benchmark Met: Yes

Description:

We have policies and procedures in place and effective compliance oversight performed by a dedicated compliance department to ensure that we meet our AFSL conditions and, together with the Finance Department, ensure that we maintain adequate financial resources. We also have independent, external legal and accounting advisers who assist us in ensuring we meet ASIC requirements. Furthermore, our independent external auditor conducts an audit at the end of each financial year.

As part of meeting our obligations to maintain adequate financial resources, and to have in place adequate risk management systems, it is important that we are able to anticipate any expected or unexpected risks that may affect our ability to meet our financial obligations to our clients. We, therefore, carry out regular stress testing, to ensure that, in the event of significant adverse market movements, we would have sufficient liquid resources to meet our obligations. Our stress testing is robust and considers the effect of various scenarios on liquidity and the credit risk of a severe market fall. In practice, our financial resource requirements are monitored and reported internally daily.

Further, the risk exposure of our clients is monitored by our risk and finance teams. Risk management systems are in place to monitor all risks the business faces.

A copy of our latest audited accounts will be provided on request by contacting customer services.

5.5 Benchmark Five: Client Money

What is it: This benchmark addresses our practices in hedging the risk we face from Retail Client Positions and the quality of this hedging.

Benchmark Met: Yes

Description:

Eightcap maintains a Client Money Policy. Client deposits, including net running profits (**Retail Client Funds**) are held separately from our own funds in a dedicated trust account in accordance with the Corporations Act 2001 (Cth) and its associated rules and regulations.

Retail Client Funds are only withdrawn from the client money account to:

- (a) make a payment to, and in accordance with the written direction of, the client entitled to the money. We will not transfer money from one account into another if it is not in the same name of the Retail Client;
- (b) defray brokerage or other proper charges;
- (c) to pay, deduct or apply to use money to which we are entitled under the Agreement; and
- (d) adjusting or settling of dealing in our products entered by you or the payment of charges or interest to us.

Segregation does not protect your money from the risk of loss. While your money and property are segregated from our own funds and property, please note that it may be comingled with the money of other clients.

We do not use Retail Client Funds for the purpose of meeting obligations incurred by us when hedging with counterparties. Further information about the treatment of Client Funds can be found in section 11 below.

5.6 Benchmark Six: Suspended or Halted Underlying Assets

What is it: This benchmark addresses our practices in relation to Retail Client trading

when trading in the Underlying Asset is suspended or halted.

Benchmark Met: Yes

Description:

We do not allow new Positions to be opened when the Underlying Market is halted or suspended. We may also, cancel any Order in respect of a CFD Position which has not yet been opened, or close any open Position where the Underlying Asset is the subject of a trading halt, suspension or delisting.

When clients place an Order with Eightcap, we may place a corresponding Order to purchase or sell the relevant product to hedge our market risk. Eightcap has the discretion as to when and if it will accept an Order. Without limiting this discretion, it is likely that Eightcap will elect not to accept an Order in circumstances where a corresponding Order cannot be filled.

Further information on this can be found in section 6.5 below.

5.7 Benchmark Seven: Margin Calls

What is it: This benchmark addresses our practices if Retail Client Accounts enter into a Margin Call.

Benchmark Met: Yes

Description:

We have a clear policy in relation to Margin and our right to close out Positions (see section 9.2 below). We provide details on how we ensure clients receive as much notice as possible of Margin Calls, our rights regarding the levying of Margins 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.

All open Positions are monitored on a real-time basis, intraday, five days per week, to ensure changing Margin requirements are identified quickly. Margin Calls may be communicated to clients via the Derivatives Trading Platform, but it is your sole responsibility to ensure that you have sufficient funds to meet Margin Calls and that you monitor your Positions

accordingly.

6 Our Products

6.1 What are CFDs?

CFDs are leveraged “derivative” financial products. CFDs are derivatives because their value is derived from the value of another asset. They enable you to speculate on the rising or falling prices of an Underlying Asset (for example, currencies, commodities, indices, shares, and cryptocurrencies). They are an agreement which allows you to make a profit or results in you incurring a loss by reference to fluctuations in the price of the Underlying Asset without owning or having any rights to the Underlying Asset itself.

CFDs are traded OTC. This means that the contracts are traded between you and Eightcap and not via an exchange. There are no cooling-off arrangements for CFDs. This means that when we arrange for the execution of a CFD contract, you do not have the right to return the product or request a refund.

6.2 Opening and closing a Position

By ‘buying’ or ‘selling’ a CFD, you take a Position in a contract:

- (a) ‘buying’ or ‘long Position’ – if you expect a CFD to rise;
- (b) ‘selling’ or ‘short Position’ – if you expect a CFD to fall.

You can open a Position in a CFD on your Trading Account by placing an Order on the Derivatives Trading Platform.

When you receive electronic confirmation on the Derivatives Trading Platform that your Order has been executed, a binding contract exists for that Position.

Your Position will remain open until it is closed out. You can close your Position via the Derivatives Trading Platform. The amount of profit or loss you incur is calculated once your Position is closed.

In some circumstances we may close your Position for you, please refer to the Client Agreement for further information.

6.3 Types of Orders

You may place any of the following Orders on the Derivatives Trading Platform—

- (a) **Market Order** – an instruction to buy or sell a CFD at the current Bid or Offer price quoted by us. We may, in our discretion, choose to accept or reject your Market Order.
- (b) **Limit Order** – an instruction to buy or sell a CFD at the price threshold you have specified, or at the price that is more favourable than the price threshold you have specified. Note that there is a possibility that this type of Order may not be filled.
- (c) **Stop-Entry Order** – an instruction to enter into a CFD at the best available price after a pre-determined price threshold is reached.
- (d) **Stop-Loss/Limit Order** – an instruction to attach a Stop-Loss or a Limit (Take Profit) Order, to a CFD Position.

Each of these Order types allows you to specify a time and date your Order will be cancelled. Alternatively, you may wish to let the Order rest on the Derivatives Trading Platform until you cancel it, or it is executed.

It is your responsibility to understand that while we try to execute your Order at the level which you have set it, we do not guarantee that your Order will be executed at that level. Among other reasons, this may be because market prices can be highly volatile and there may not be Underlying Market liquidity in the CFD you are trading.

You can cancel or amend the level of an Order at any time prior to an Order being executed. We may combine your Order with other Orders and/or seek to buy or sell in the Underlying Asset to open or close a Position. The Client Agreement allows us to modify, cancel and/or reject your Orders, and we may, in our sole discretion, refuse to accept any instructions.

6.4 Profit and loss calculations

The amount of profit or loss on a CFD will be the sum of the following:

- (a) The difference between the price at which you entered and exited the CFD;
- (b) Costs, charges, daily financing or Swaps;
- (c) Any commission charges relating to the CFD (if applicable).

6.5 Availability of products

Swyftx acts as a Distributor of CFDs over different types of Underlying Assets for you to trade via the Derivatives Trading Platform. As product issuer, Eightcap retains absolute discretion over the availability of the CFD products. From time to time, we may remove a CFD over an Underlying Asset from the Derivatives Trading Platform, and this may limit or remove your ability to place Orders and open Positions. This may be due to a variety of reasons including but not limited to illiquid trading conditions, client demand, and/or general commercial reasons.

If you hold an open position in a CFD which is to be removed from the Derivative Trading Platform, you will be provided with ten (10) Business Days' notice during which time you must close any Position that you hold and/or cancel any Pending Orders in respect of the CFD being removed.

You are responsible for cancelling any Pending Orders and closing any open Positions in the relevant timeframe. If you do not act upon your open Positions and pending Orders, we will close or cancel your Position or Order in accordance with the terms of the Client Agreement.

7 Trading with us

7.1 Advice

We and Swyftx (as Distributor) will not provide you any personal financial product advice. Swyftx is an Australian Financial Services Licensee authorised under its own licence to provide you general financial product advice only.

Any general financial product advice given

to you by us or Swyftx will have been prepared without considering your personal objectives, financial situation or needs. Before making any decisions, you should therefore carefully consider the appropriateness of any general financial product advice and any disclosure document provided to you (such as this PDS and our or Swyftx's Financial Services Guide) having regard to your personal objectives, financial situation and needs.

You should also carefully consider the terms of the Financial Services Guide that Swyftx will provide you during your Account Application.

7.2 Acting as Principal

Eightcap is the product issuer and principal. This means that we issue the products described in this PDS, and deal with you as principal, not as an agent on behalf of anyone else.

Swyftx acts as a Distributor of our products. Swyftx is authorised under its own AFSL to engage in distribution conduct by arranging for our products to be made available to you via the Derivatives Trading Platform. Swyftx also performs service-related functions such as customer support functions.

7.3 Account Applications

The Account Application process is managed by Swyftx, with oversight by us. Swyftx may require you to, among other things:

- (a) complete a qualification assessment;
- (b) answer questions to determine your suitability to trade our products; and
- (c) provide updated KYC information.

Swyftx will consider the information you provide and make a decision regarding your suitability to trade Eightcap's products. Swyftx will inform us of this decision, and if you are successful, we will authorise an Account being made available to you on the Derivatives Trading Platform.

Swyftx's decision and our act of opening an Account for you does not constitute a recommendation as to the suitability of

our products for you. You should take the time to understand this PDS and any other documents provided to you to inform your decision before you proceed to trade our products, and consider seeking your own professional independent advice having regard to your personal objectives, financial situation and needs.

7.4 Account and password security

When you contact Swyftx or us regarding your Account we will require you to complete our customer verification process. We will use identifiers, such as your name, address, DOB and Account details to verify your identity.

You are responsible for maintaining the security of your Account details, including any unique Account numbers and/or passwords.

If you suspect that your Account has been compromised for any reason, you should contact Swyftx immediately so that they can take the necessary actions.

Notwithstanding the above, unless Swyftx has confirmed that your Account is (or is potentially) compromised, any Orders or Positions opened or closed (and the corresponding profit/loss) on the Derivatives Trading Platform will be binding and conclusive on you.

7.5 Client categorisation

You will be categorised as a Retail Client unless you meet the criteria to become a Wholesale Client and receive positive confirmation that you are to be treated as a Wholesale Client.

If you wish to become a Wholesale Client after your Account is approved, you may contact Swyftx requesting an assessment of your suitability to be classified as a Wholesale Client.

7.6 Third-party authorisations

If you want to appoint a third party to give instructions to us under the Agreement (an **Authorised Person**), Swyftx will ask you and the Authorised Person to complete some additional forms.

It is your responsibility to ensure that the

Authorised Person has authority and is appropriate to act on your behalf, and we or Swyftx may ask you to demonstrate this.

8 Margin

8.1 What is Margin?

CFDs allow you to speculate on the price movements in the value of an Underlying Asset, while putting up an amount of your own money less than the full value of the Underlying Asset. With CFDs, you only need to put in a portion of the market value of the Underlying Asset when opening a trade.

When you open a CFD Position, you are required to provide a security deposit. We refer to this as 'Margin'. Margin will be held by us until your CFD Position is closed. The value of the Margin required to open a CFD Position is set in accordance with the Leverage Ratio of your Trading Account, and/or the CFD that you trade.

Margin is calculated as a percentage of the notional value of the CFD. Margin may be fixed to a percentage at the opening of your Position, or it may float in accordance with the movement of the CFD price.

Example:

- (a) The leverage on your Trading Account is 1:2, which is expressed as a Margin Percentage of 50%. You decide to take a Position by buying 0.1 of a contract of BTCUSD. This has a notional value of \$10,000 AUD.
- (b) The Margin required for this contract is equal to approx. \$5000 AUD (i.e., 50% of \$10,000 AUD).

Margin rates are subject to limits that are prescribed by ASIC and may change in accordance with trading conditions or other relevant factors.

We reserve the right to change the Margin requirement at any time on any market. Margins may be higher than values displayed within Derivatives Trading Platform during extreme circumstances (for example, when the value of the Underlying Asset is subject to extreme volatility or uncertainty as to its continued availability on the Underlying Market). We

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will take reasonable steps to notify you of changes to Margin if you hold an open Position.

8.2 Unrealised profit and loss

In addition to Margin, your Position will show an Unrealised Profit or Unrealised Loss.

You must hold additional funds or 'buffer' to withstand any unrealised losses on your open Position, and/or any changes to your Margin requirement.

Example:

- (a) You place \$6000 AUD in your Trading Account and buy 0.1 BTCUSD. The Margin required for this contract is equal to \$5000 AUD (i.e., 50% of \$10,000 AUD).
- (b) The market moves against you and the BTCUSD declines, resulting in an unrealised Loss of \$200 AUD. This means that your Trading Account Equity (Trading Account balance after your unrealised loss) is \$5800 AUD.
- (c) Provided that your Margin remains at \$5000 AUD, you now have a difference of \$800 AUD before you are regarded as being on Margin Call, as set out below in section 8.3 below.

8.3 Margin Calls

You should be aware that if the price of the CFD moves against you, it may result in a shortfall between your Account Equity and your Margin. We refer to this as a Margin Call, and it means that you may be required to deposit additional funds into your Trading Account to maintain your Position.

If you fail to meet your Margin requirement we may need to close out your open Position. It is your responsibility to take appropriate action and manage your Account, which may include depositing further funds or closing out some or all of your open Positions to reduce your exposure.

Where your Account Equity falls to a level at or below 50% of your Margin, we will automatically close out some or all of your open Positions. This will generally be done

in order of the largest losing Positions at the best next available price, subject to liquidity and execution constraints.

A Margin Call may also occur when you hold opposing buy and sell Positions, and market conditions or charges impact the valuation of your open Positions.

It is your sole responsibility to manage your risk and meet any Margin Calls. Eightcap and Swyftx are under no obligation to alert you to any Margin Call. You must log onto the Derivatives Trading Platform to monitor and manage your Account Equity and Margin obligations.

9 The Product Intervention Order

The products that we provide are subject to the ASIC Product Intervention Order – Contract for Difference Instrument 2020/986 (**Product Intervention Order**). The Product Intervention Order imposes certain conditions on specified dealings in the products that we offer in relation to Retail Clients, prohibits giving or offering specified benefits to Retail Clients or prospective Retail Clients in specified circumstances, and requires CFD issuers to take reasonable steps to notify its Retail Clients of the terms of the Product Intervention Order.

9.1 Leverage limits

Eightcap will not offer you leverage at a rate that is greater than the following prescribed limits. We may, at our absolute discretion, limit your leverage to lower leverage rates than set forth below.

Asset	Leverage Limit	As a % of Notional Value
Major Currencies	1:30	3.33%
Minor Currencies	1:20	5%
Major Indices	1:20	5%
Minor indices	1:10	10%

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Gold	1:20	5%
Commodities (Excl gold)	1:10	10%
CFD Shares or other assets	1:5	20%
Crypto Assets	1:2	50%

Major currencies include any two of the Australian Dollar, British Pound, Canadian Dollar, Euro, Japanese Yen, Swiss Franc, and US Dollar.

Minor currencies consist of a pair of currencies that is not a major currency pair.

Major indices include our products that are derived from the CAC 40, DAX, Dow Jones Industrial Average, EURO STOXX 50 Index, FTSE 100, NASDAQ-100 Index, NASDAQ Composite Index, Nikkei Stock Average, S&P 500, S&P/ASX 200.

Minor indices is any index that is not one of the major indices listed.

Note, Stablecoins constitute Crypto Assets and not currencies when determining leverage.

9.2 Margin close-out protection

Margin close-out protection requires us to liquidate your Positions, at the next available price, where the total funds in your Account falls at or below 50% of the Margin required to sustain all your open Positions.

For more information, refer to the Margin Call and liquidation process in section 8.3 above.

9.3 Negative Balance Protection

Where you incur a negative balance on your Account, this amount will be credited back to you by us. This credit extends only to the sum of the negative balance you sustain. It does not extend to the losses you sustained on your open Positions.

Example:

- (a) You held a long Position in BTCUSD. Due to increased levels of market volatility, there was a large downturn in the price of BTC.
- (b) Due to liquidity constraints, we were unable to execute an Order on your behalf to close out your Position (as is required under section 9.2).
- (c) As a result, you sustained a negative balance of \$1000 AUD. Eightcap, in turn will credit your Account \$1000 AUD, returning the balance in your Account to \$0 AUD.

9.4 Inducements

Eightcap and Swyftx are prohibited under the Product Intervention Order from providing inducements. Inducements include credit bonuses and non-monetary gifts. This prohibition does not extend to education campaigns or rebates of trading expenses, charges or costs we make available to all Retail Clients.

10 The Derivative Trading Platform

Swyftx provides the Derivatives Trading Platform within their own native technology stack. While Eightcap has tested the platform, you should perform your own due diligence as Eightcap makes no warranties or representations regarding its fitness for purpose.

Eightcap's Embedded API serves as the core data engine, supplying Swyftx's self-developed Derivatives Trading Platform with all the essential, real-time information needed for trading CFDs. While Swyftx has built the User Interface and the front-end experience on their native technology stack, Eightcap remains the sole product issuer of the CFDs traded.

Swyftx may, in their discretion, require you to agree to additional terms of use to gain access to the Derivatives Trading Platform. Eightcap is not a party to these terms.

11 Account funds

11.1 The Derivatives Wallet

You may deposit funds, as opening and ongoing Margin by transferring fiat funds out of your 'Spot Wallet' into your 'Derivatives Wallet' on the Swyftx Platform. Unless otherwise agreed with us, payments will be required in the same currency as the currency in which your Trading Account is denominated. Eightcap will only accept cash or cash equivalents. We will not accept digital assets.

Before the funds are credited to your Account, they need to be cleared by us. This process usually occurs in a matter of seconds but may be delayed where we determine (at our discretion) that further due diligence is required.

11.2 How we deal with your funds

Any funds you transfer to your Derivatives Wallet, in addition to your net running profits (if any), will be held separately from our money, in a client money trust account.

We deal with Retail Client money in accordance with the Client Money Rules. These funds are held with an approved Authorised Deposit-taking Institution (ADI). For more information on which ADI your funds are held with, please contact Swyftx who will raise an enquiry with us.

To the extent permitted under the Australian Client Money Rules, your money may be co-mingled into one or more trust accounts with our other customers' money, which is also held on trust. We will not be liable for the solvency or any act or omission of any bank holding the trust accounts. You may not receive all the money held by us on your behalf in the client trust account if there is a deficit in the client trust account and we become insolvent or are otherwise unable to pay the deficiency. If we default on our obligations, you may become an unsecured creditor in an administration or liquidation and will not have recourse to any Underlying Asset in the event of our insolvency.

We perform daily and monthly

reconciliations of the amount of reportable client money that, according to our records, we are required to hold in a client money account against the amount of reportable client money we are actually holding in that account. We keep records of the reconciliations we perform and will provide copies of these records to our clients or ASIC within five (5) business days of a written request (or such longer period as may be agreed in writing).

One of the risks of holding Client Funds in dedicated accounts is that market movements may cause a client's Account to become negative. Because we provide Negative Balance Protection, this requires us to bring any negative balances onto our own balance sheet. To reduce this risk, we automatically liquidate a client's position(s) in accordance with our margin call policy set out in section 8.3.

We are solely entitled to any interest or earnings derived from client money being deposited in a segregated trust account or invested by us in accordance with the Australian Client Money Rules, with interest and earnings being payable from the segregated trust account as and when we decide to do so.

12 Trading Hours

Swyftx may determine the session times/trading hours of CFDs over the Underlying Assets available to you via the Derivatives Trading Platform at their discretion.

In addition to the times that Swyftx determines, trading may be disabled between 23:59:00 and 00:10:00 Platform Time, due to liquidity constraints.

It is your responsibility to monitor the trading hours of any Underlying Asset you trade.

13 Examples of CFDs

13.1 Short Positions

You are of the opinion that AUD will depreciate against USD and will attempt to benefit from this by selling AUD/USD. You have an account leverage of 1:30.

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Eightcap's quote on the AUD/USD is Bid 0.8500 and Ask price of 0.8502. You sell AUD 100,000 (1 Contract) at the Bid price of 0.8500.

In this case, the value of the contract when opened is AUD 100,000 (USD 85,000). You would be required to have approx. AUD 3,333.33 (representing 3.33% of AUD 100,000) in free Equity in your Trading Account in order to enter this transaction. If you do not have the initial Margin requirement, the Order will not be accepted by Eightcap.

If the AUD decreases in value (or the USD increases in value) and you close out your Position, you make a profit. For example, if the AUD falls and the AUD/USD is now quoted at Bid 0.8450 and Ask price of 0.8452, you buy the AUD at the Ask price of 0.8452 and make the following profit: USD 480 (100,000 multiplied by (0.8500 minus 0.8452)). Profit will show on your Trading Account summary as a converted AUD amount at a rate determined by Eightcap.

Short Forex Contract	
Amount (AUD)	100,000
Sell Price (USD)	0.8500
Margin Requirement	3,333.33 AUD
Buy Price	0.8452
Gross Profit/Loss	480 USD
Profit will show on your Trading Account summary as a converted AUD amount at a rate determined by Eightcap. i.e., $US\$480 / 0.8452 = \567.91	

13.2 Long Positions

You are of the opinion that the market price of shares in company ABC will rise in the coming days – you will attempt to benefit from this by buying CFDs referencing the price of those shares.

Our quote is Bid price of 15.05 and Ask price of 15.07. You buy 1,000 contracts

(each CFD contract represents 1 share) at the Ask price of 15.07.

Assuming the initial Margin requirement is 20%, you are required to hold 20% of the value of the open contract in your Trading Account before we accept the Order. In this case, the value of the contract when it is opened is AUD 15,070. You would be required to have AUD 3,014 (representing 20% of AUD 15,070) in free Equity in your Trading Account in order to enter this transaction. If you do not have the initial Margin requirement, the Order will not be accepted by us.

The Position will remain open until:

- (a) you instruct us to close out the Position; or
- (b) your Trading Account becomes Margin deficient and we exercise our right to close out the open Position.

If Company ABC's shares increase in value and you close out your Position, you make a profit. For example, if the shares rise and it is now quoted at Bid price 15.12 and Ask price 15.14, and you sell the shares at the Bid price of 15.12, you will make the following profit: \$50 AUD (1,000 multiplied by 15.12 minus 15.07).

13.3 Using the PDS examples

Examples contained within this PDS:

- (a) are used for illustrative purposes only and do not factor in current market variables nor are they intended to be a forecast, projection or offer of personal advice for any product we offer and are not intended to be exhaustive; and
- (b) do not take into account any tax implications that may affect you (for information about taxation, see section 19 below).

Margin, interest and other external charges are subject to change at any time.

14 Risks of CFD Trading

14.1 Over-the-counter

CFDs are off-exchange derivatives. This is considered to involve greater risk than an

on-exchange derivative as there is no exchange market on which to close out an open Position – you are only able to open and close your Positions with us.

There is no clearing house for CFDs, and the performance of a CFD offered by us is not ‘guaranteed’ by an exchange or clearing house.

14.2 Leverage

When you trade CFDs, you are trading on leverage. This means that you only need to deposit a percentage of the total trade value to gain a similar level of exposure to the markets. The ‘leverage’ involved in trading CFDs means that a small initial margin payment can potentially lead to large losses. The leveraged nature of CFDs also means that CFD trading can carry greater risks than conventional share trading.

14.3 Market Movements

A relatively small market movement can lead to a proportionately much larger movement in the value of your investment. This can work against you as well as for you and can result in significant losses such as the loss of your entire Margin and liquidation of all your Positions.

14.4 Counterparty Risk – Hedging

Eightcap will provide, via its API connection to the Derivative Trading Platform, the price at which it is prepared to deal with you as principal. This is known as being a ‘market maker’.

The prices that we offer are likely to be different to the prices in the Underlying Asset. This is because of the Spread. The Spread is the difference between the rate at which we buy and sell the financial instruments. See section 16 below for more information about spreads and commissions.

We act as a market maker and may profit from Spreads, Commissions, Swaps and market risk. When you place an order with us, it is at our discretion if we place a corresponding order to purchase or sell the relevant product in order to offset (hedge) our exposure to your Position. This means

we may be exposed to the outcome of your Position.

In providing our products to you we may rely on third party hedging counterparties.

Our hedging counterparties are selected using set criteria and are subject to review to ensure the criteria are met on an ongoing basis. The criteria address all pertinent factors such as:

- (a) Financial standing (financial adequacy is assessed using a number of resources including the use of third-party credit risk/reporting services);
- (b) Compliance with regulatory requirements (including risk management resources); and
- (c) Market reputation.

A copy of our Hedging and Counterparty Policy is available on our website.

14.5 Volatility

Derivative markets can be highly volatile. CFD prices may fluctuate rapidly and over wide ranges and as the result of unforeseen events or changes in conditions, none of which can be controlled by you or by us.

The prices of CFDs will be influenced by unpredictable events including, amongst other things, changing supply and demand relationships, governmental, agricultural, and commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

You may lose all funds that you deposit with us to establish or maintain a Position. If the market moves against you, you may have to pay substantial additional Margin at short notice. If you fail to do so within the required time, your Position may be closed by us at a loss.

In fast-moving or illiquid markets, ‘gapping’ may occur. This typically occurs when market prices do not follow a smooth or continuous trend and are normally caused by external factors such as world, political, economic and corporate-related events.

Should gapping occur on the CFD you are trading, you may not be able to close out your Position or open a new Position at the price at which you have placed your Order.

It is your responsibility to monitor your Trading Account. To manage your open Positions and check for any Margin Calls, you are required to log onto the Derivatives Trading Platform.

14.6 Execution

Under certain trading conditions, it may be difficult or impossible to liquidate a Position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that trading in the Underlying Market is suspended or restricted.

While we offer different kinds of Order types via the Derivatives Trading Platform which are intended to limit or minimise losses (for example, Stop-Loss Orders or Limit Orders) it does not guarantee that you will not incur losses because market conditions may make it impossible to execute an Order at the price stipulated by you. This can happen when the price of the Underlying Asset moves straight through the stipulated price. When this occurs, the price at which your Order is executed may not match the price at which it was requested – this is known as ‘slippage’.

Further, when you request to open or close a Position at the market price, you may not receive the price that you requested. This may be because market prices can be highly volatile and/or there may not be Underlying Market liquidity in the CFD you are trading. This may be because market prices can change prior to your CFD being executed, technical delays, market volatility, and or illiquid market conditions. We may also provide Out of Hours Trading, where we set the prices at which we are prepared to deal with you. These are some of the circumstances which may have an impact on Spreads, Liquidity and the general execution of your Position.

To connect with our trading servers, we rely on you to have and maintain your own internet connectivity, systems and networks. Any connectivity issues you

experience with your systems may result in delays in the execution of trades or mean that the price offered by us may change before we receive your Order. Eightcap does not accept responsibility for losses caused in these circumstances.

14.7 Currency Risk

The profit or loss of your Position may be denominated in a different currency than your Account. This may unexpectedly impact your overall profit or loss. Foreign markets will involve different risks to Australian markets. The potential for profit or loss from CFDs relating to a foreign market or denominated in a foreign currency will be affected by fluctuations in foreign exchange rates. It is possible to incur a loss if exchange rates change to your detriment, even if the price of the instrument to which the CFD relates remains unchanged.

15 Features of CFD Trading

15.1 Hedging

CFDs can be used for risk management purposes. This means you can use CFDs to manage against the risk of an investment moving against you in an Underlying Asset that you are exposed to. For example, if you own a particular physical share and anticipate its price falling, rather than selling the share you may elect to open a short CFD Position on the same share. If the price of the share does fall, any losses incurred from ownership of the share can be partially or wholly offset by the profit made on the CFD Position. It's important to also consider any costs associated with buying, selling, or holding the CFD.

Hedging within your Trading Account (i.e. holding a buy and sell position on the same CFD at the same time) is not permitted.

15.2 Market Positions and Strategy

You can use CFDs as part of your trading strategies to profit from both rising and falling markets. However, due to the uncertainty of market movements, there is no guarantee that the use of CFDs as part of your trading strategies will lead to profits. In addition, it is important to note

that some trading strategies are more complex than others and may have different levels of risk associated with them.

15.3 Using Leverage

CFDs enable you to obtain full exposure to the Underlying Asset for a fraction of the price of buying the Underlying Asset itself. This is because CFDs require you to outlay a percentage upfront as Margin. However, it is important to note that as well as working for you, leverage may work against you and the risk of loss from CFDs and leverage products can be substantial.

You can open a Position for as little as \$100 of your base currency. When dealing in the CFDs we offer, you can deposit a sum that suits you, or an amount which is more in line with an amount you are willing to risk – in other words, you are in full control of the amount of funds you deposit.

15.4 Real-time Quotes and Tradeable Prices

Using our technology, we can offer you real-time quotes. You can check your Trading Account(s) and Positions in real-time and this can be done 24 hours a day on any global market which is open for trading and can be traded based on real-time information. There are minimum and maximum Order volume parameters that you must adhere to.

16 Fees, Charges and Costs

In this section we set out the fees and costs that may apply when trading our products.

16.1 Spreads

You may notice that the price of a CFD is quoted with a lower and higher price at which you can place an Order. The difference between the Bid price and the Ask price is known as the 'Spread'. We may post our target spreads on our Website from time to time, and you should be aware such representations are indicative only and do not represent the actual spread price for any product. You can view the Spread in the Trading Platform prior to executing your Order. For more information

on where to view this information, please contact an Eightcap representative.

Eightcap set the price and the Spread of the CFD that you use to open and close a CFD Position. These prices are set with reference to the current market price offered to us from a Liquidity Provider(s), or exchange information sources. We may also contribute our own (internal) Liquidity when setting a price to improve the Spread between the Bid and Ask price, and/or the liquidity available at each price.

16.2 Swap

Where a trade is left open at the close of the Trading Day (23:58:00 Platform Time), we may charge or credit you with a "Swap" which is deducted or credited from the Unrealised Profit/Loss of your Trading Account. Sometimes referred to as a rollover, Swap is the financing (interest) component of your open CFD. It can be paid by you or paid to you, depending on the CFD you are trading.

Note that while Eightcap will attempt to calculate all Swaps on positions as at 23:58:00 Platform Time, due to system limitations, we may close the Trading Day between 23:55:00 on the Trading Day and 00:10:00 on the following Trading Day. This may impact when and how a Swap is charged/credited to you.

Swap Rates are calculated using wholesale reference rates that are provided by our Liquidity Providers. We may add a fee (mark-up) to any wholesale rates received which is included in the Swap debit or credit that is applied to your CFD Position.

You should be aware that Swap Rates change regularly. The Swap Rate that applies to a CFD can be viewed on the Trading Platform. A Swap is also deducted or credited for weekends, public holidays, when the Underlying Asset ceases to be quoted, or suspended from quotation, or subject to a trading halt.

16.3 Multiple (3-day) Swaps

A 3-day Swap accounts for the interest that is earned or charged for the forthcoming weekend.

Most CFDs that you trade will attract a 3-day Swap. The day in which the 3-day Swap is charged depends on the CFD you are trading. For example, if you hold a currency CFD at 23:59:59 platform time on a Wednesday, the applicable Swap Rate is multiplied by three (3) times. Other 3-days Swaps may be charged on a Friday. You may find the details relating to the Swaps on the Trading Platform or you may wish to confirm with an Eightcap representative prior to trading.

We may need to vary the day and time in which a 3-day Swap is charged or credited in accordance with any changes to settlement terms, public holidays, or market closures. This may be done without notice to you.

16.4 Commissions on Share CFDs and Crypto Assets

If you trade share or crypto CFDs with us, you may be charged a commission as a monetary value, rather than an additional spread on top of any spread in the Underlying Asset. Commissions can be calculated at a percentage of the aggregate notional value of your CFD share (subject to a minimum fee) upon entry and exit, or a fixed commission. The commission rates for CFD shares are subject to change and available on our website.

16.5 Exchange Fees

We are required to pay exchanges fees for the provision of pricing of certain Underlying Assets. When your Account is inactive, we may, at our discretion, remove access to certain CFDs, or pass on any exchange fees to you.

16.6 Extended Hold Admin-Fees for Crypto Assets

Some CFDs you trade may attract an Extended Hold Admin Fee, for any Position you hold for or exceeding 21 days in length.

The value of the Extended Hold Admin fee will be determined by reference to an annualised fixed percentage of the value of the Underlying Asset at the time the Extended Hold Admin Fee is charged. This will be pro-rated according to the duration of the time you have held the Position.

16.7 Dividend Adjustments

When you trade a share CFD, your Trading Account will be debited or credited to reflect any dividend adjustments e.g. declared cash dividends, as if you had bought or sold the Underlying Asset. The dividend adjustment will affect your profit or loss. The amount of the dividend adjustment will depend on whether you have a long or short share CFD. Adjustments will also be made to your Trading Account balance for Index CFDs you hold to reflect any cash dividends paid on constituent share of a particular index.

If the Underlying Asset is subject to another type of Corporate Action, we will make an adjustment to your Trading Account and/or take reasonable steps to reflect the impact of the corporation action on your Trading Account.

16.8 Conversion Fees

An automatic conversion is required if your CFD Position is denominated in a different currency than your Trading Account. The rate at which a conversion occurs is the rate that is displayed on your Trading Platform, although we reserve the right to place an additional fee or spread on the conversion rate. If there is no direct rate of exchange between your Trading Platform currency and the denomination of your CFD currency, a third currency (generally USD) will be used to make the conversion.

16.9 Funding Fees

Eightcap does not charge any internal fees for deposits or withdrawals to your Derivatives Wallet.

16.10 Swyftx Fees

Swyftx will receive a portion of the fees charged by Eightcap. Further information regarding the Swyftx fees can be found in the Swyftx Financial Services Guide and on the Swyftx website.

17 If you have a Complaint

We have internal as well as external dispute resolution procedures in place to resolve complaints. If you are dissatisfied with any aspect of our products and/ or

services (such as trade execution, pricing or margin issues), please give us the opportunity to investigate and answer your questions first. You may contact us using the address and telephone numbers provided in section 3 of this PDS.

You should first raise any complaints related to our product offering with Swyftx. Swyftx will inform us of this and we will investigate the matter.

For any disputes relating to general product advice provided by Swyftx or any operational issues, including regarding the technology, availability or performance of the Derivatives Trading Platform (not directly caused by an act of omission of Eightcap), you must lodge your complaint directly with Swyftx to be handled under their internal dispute resolution process.

For more information about the way in which we manage complaints, please refer to our Complaints Management Policy.

If you have exhausted our complaints management procedure and do not believe your complaint has been satisfactorily dealt with, you may refer your complaint to an external dispute resolution scheme. Eightcap is a member of the Australian Financial Complaints Authority. AFCA will not consider a complaint until we have had the opportunity to consider it. AFCA's contact details can be found in section 4.

18 Market Manipulation & Insider Trading

Although by dealing with us you will not be dealing in physical shares (conventional share trading), you should be aware that you may still be subject to the market manipulation and insider trading provisions of the Corporations Act 2001 (Cth), depending on which CFDs you trade with us.

19 Taxation

Swyftx and Eightcap do not provide any taxation advice. Taxation laws are complex in nature and their interpretation and administration may change over the term of your relationship with us. We will not

advise you of any changes in taxation laws should they occur.

You take full responsibility for the taxation implications arising from your own transacting and for any changes in those taxation implications during the course of your transacting with us.

It is important to note that the ultimate tax implications for you will depend on your personal circumstances. If you are unsure of how trading with us will affect your taxation position, you should consult an independent taxation advisor.

20 Privacy and Data

Your privacy is important to us.

The information you provide to Swyftx or us will primarily be used for the processing of your Account application and for complying with certain laws and regulations. Collection and use of personal data is conducted in compliance with the *Privacy Act 1988* (Cth), the Australian Privacy Principles and General Data Protection Regulation (where applicable).

Communication with us or Swyftx such as telephone conversations and/or any communications (written or otherwise) by other means may be recorded and stored. Telephone recordings, or transcripts of recordings, as well as online communications may be used for training purposes, for the purpose of investigating any complaint you may make, or for any other legal or regulatory purposes including as evidence in any dispute or anticipated dispute between you and us. We will retain records of all telephone conversations for the duration required by the Applicable Laws or regulations.

21 Definitions

Account Application means an application to open a Trading Account on the Derivatives Trading Platform and includes applications for Corporate or Trust Account(s).

Account or ***Trading Account*** means the CFD account held with Eightcap, which is established in accordance with the terms

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and conditions of the Client Agreement, and this PDS and any other terms and conditions or legal document published by us from time to time.

AFCA means Australian Financial Complaints Authority.

AFSL means Australian Financial Services Licence.

Agreement means this PDS, along with the Eightcap Embedded Client Agreement (**Client Agreement**) and any other terms and conditions published by us from time to time.

ASIC means Australian Securities and Investments Commission.

Ask means the price at which we are willing to sell. This is the current price available for you to buy.

Australian Client Money Rules means the ASIC Client Money Reporting Rules 2017.

Bid means the price at which we are willing to buy. This is the current price available for you to sell.

CAR means a corporate authorised representative authorised under section 916A of the Corporations Act 2001 (Cth).

CFD means contract for difference.

Client means any person that is a Retail Client.

Client Agreement means the Eightcap Embedded Retail Client Agreement.

Corporate Account means a Trading Account opened and maintained by a corporate entity.

Corporate Action means an activity that is initiated by a company or corporation for the purpose of giving an entitlement to shareholders (for example, a bonus share issue, share offer or rights issue).

Derivatives Trading Platform or **Trading Platform** means the facility Swyftx makes available to you to trade Eightcap's CFD product.

Derivatives Wallet means the facility made available to you by Swyftx to deposit funds to trade our derivative products

Distributor means a regulated person (as defined in section 994A(1) of the Corporations Act 2001.

Eightcap's Website means www.eightcap.com

Embedded API means the API platform developed and operated by Eightcap to facilitate trading of derivative financial products on the Derivatives Trading Platform.

Equity means the Account balance including (after) any Unrealised Profit and/or Unrealised Loss on open CFD Positions. Equity is an indication of the overall performance of an Account as it considers the Account balance and how each individual Position is performing.

Extended Hold Admin Fee means the fee which begins accruing at 11:00pm UTC on the 14th day after a Client opens a Position and is charged at 11.00pm UTC (or another time as determined by us in our sole discretion) on the 21st day and every 7 days thereafter.

Leverage Ratio means the effective Leverage or 'gearing' on your Account. The default Leverage Ratio of an Account is generally set to 30:1 (3.33%). You may apply to change this by contacting Swyftx. On certain Instruments, the Account Leverage Ratio is lower or not applicable; instead, a fixed Margin is required.

Limit Order means an instruction to buy or sell a CFD at the price threshold you have specified, or at the price that is more favourable than the price threshold you have specified. Note that there is a possibility that this type of Order may not be filled.

Liquidity Provider means an external counterparty (company, bank or financial institution) that provides a buy and sell price (Liquidity) in a financial Instrument, security or asset, and can accept trades and Orders for the purposes of risk management. This may also be referred to as a Hedging counterparty.

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Margin Call means a demand for additional funds to be deposited into your Trading Account to meet your Margin obligations. Our Margin Call policy is set out in section 8.3.

Margin Percentage refers to the Trading Account balance/Margin requirement x 100

Margin means the amount of money you are required to pay us or hold in your Trading Account in order to place an Order.

Market Order means an instruction to buy or sell a CFD at the current Bid or Offer price. We may, in our absolute discretion, choose to accept or reject your Market Order

Negative Balance Protection means that if you are a Retail Client and at any time you have a negative balance on your Account, we will waive our right to claim the deficit and will return the Account balance to zero, in accordance with the ASIC Product Intervention Order – Contract for Difference Instrument 2020/986 (Product Intervention Instrument) issued under section 1023D(3) of the Corporations Act. Where you have multiple Accounts with us, we may treat your Accounts as aggregated for the purposes of offsetting a negative balance, by using funds on one Account to offset losses incurred on another.

Order means an offer that you make to enter into a Contract with us under the Agreements.

OTC means over-the-counter.

Pending Order means an Order with a specific Price identified which has not yet been executed.

Platform Time means the time displayed on and used by the Derivatives Trading Platform for the purposes of Order entry, execution, pricing, and transaction records, as determined by Eightcap.

Position means a CFD that has been entered into by you under the Agreement.

Privacy Policy means the Eightcap Privacy Policy.

Retail Client means any client that isn't a Wholesale Client.

Stop-Entry Order means an instruction to enter into a CFD at the best available price after a pre-determined price threshold is reached.

Stop-Loss Order means an Order to close out an open Position where the CFD reaches a specified price.

Swap means the fee that your Trading Account is debited or credited if you hold a Position over 23:59:59 Platform Time to the following Trading Day. The Derivatives Trading Platform may refer to this as an Overnight Credit/Fee.

Swap Rate is the applicable rate that applies to the calculation of a Swap, as described at section 16.2 above.

Swap Charge or **Swap Credit** means financing related credits or charges relating to the holding of a CFD at the close of the Trading Day.

Swyftx Platform means the platform Swyftx makes available to you to trade digital assets on a spot basis.

Swyftx's Website means www.swyftx.com

Trading Day means Monday to Saturday including public holidays for CFDs excluding Cryptocurrency CFDs; or Monday to Sunday including public holidays for Cryptocurrency CFDs. The close of the Trading Day occurs at 23:59:59 on the Trading Platform.

Trust means where the Account is opened in the name of a trust identified in the Account Application.

Underlying Asset means the instrument or asset (i.e., currency pair, cryptocurrency, commodity, share, or index) whose value or price, or change in value or price, determines the potential value of the CFD.

Underlying Market means the market (regardless of its form) in which an Underlying Asset is traded (for example, a formally regulated securities exchange such as the ASX or a decentralised over-the-counter market).

Unrealised Loss means the amount of loss that is shown on an open Position. This is

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a loss that has not yet been realised by closing a Position.

Unrealised Profit means the amount of profit that is shown on an open Position. This is a profit that has not yet been realised by closing a Position.

Wholesale Client means any client who satisfies the net wealth/income test under s 761G of the Corporations Act.

