



OLIVE FINANCIAL MARKETS

Financial Services Guide

Version: 14

Effective from 4 October 2018

FINANCIAL SERVICES GUIDE

1. Purpose and Content of this FSG

This Financial Services Guide (**FSG**) is dated 4 October 2018 and has been prepared and issued by Olive Financial Markets Pty Ltd ABN 46 145 551 739 ("**OFM**", "**we**", "**our**" or "**us**"). This FSG is designed to tell you about the financial services and financial products that we offer under our Australian Financial Services Licence (**AFSL**).

We may change our financial services including features of products and advice from time to time and may issue a new FSG. Our latest FSG is available on our website at <http://www.olivefinancialmarkets.com.au/legal-info>. The version on our website replaces all prior versions.

This FSG contains important information about:

- Who we are and how you can contact us;
- The financial services we provide;
- The costs of our financial services and financial products, how we are remunerated for these products and services and how we pay our representatives;
- Any (potential) conflicts of interest we may have; and
- Our internal and external dispute resolution process.

This FSG should assist you in deciding whether to use any of the financial products or services we offer, along with the relevant disclosure documents we provide to you.

2. Who is OFM?

Who is OFM?

OFM is a financial service provider in Australia licensed by the Australian Securities and Investments Commission (**ASIC**) to provide a range of financial products and services in Australia under its AFSL (No. 390906). Please refer to section 4 below for a list of financial services and financial products that we offer.

Jurisdiction

OFM provides financial services in Australia, not in any place outside Australia. The distribution of this FSG and any other documents issued by OFM in any jurisdiction outside of Australia may be restricted by law and any persons or entities who come into possession of this FSG should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the applicable laws.

OFM does not accept clients from United States of America, North Korea (Democratic People's Republic of Korea), Iran (Islamic Republic of Iran), Ethiopia, Eritrea, Republic of Singapore and the Ontario, Canada.

3. Giving OFM Instructions

OFM's Contact Details

Address: Suite 1613, 87-89 Liverpool St
Sydney NSW 2000 Australia

Phone: 1300 941 852

Email: smorrison@olivefinancialmarkets.com.au Website: www.olivefinancialmarkets.com.au

Dealing instructions

For some of the financial services we provide, such as services regarding OFM Products and OFM Services, we only accept dealing instructions via the relevant trading platforms, and do not accept dealing instructions in any other manner, including but not limited to telephone, email and face-to-face meetings unless we have previously agreed with you to do so. For other

financial services we provide, such as advisory and dealing services regarding insurance products, we accept dealing instructions via telephone, email and face-to-face meetings.

You should read the relevant client agreement and PDS (if applicable) about how to give us dealing instructions. If you are unsure how to give us dealing instructions, please contact OFM directly.

Non-dealing instructions

You may give us non-dealing instructions using our contact details above. All electronic or written instructions to us may only be deemed "received" after we give you confirmation that we have in fact received your instructions.

All instructions must be clear and unambiguous. We will take reasonable steps to execute your instructions.

How we may provide information to you

OFM may use the contact details you provide to us (your last known contact details) to provide you with documentation about the financial products and financial services OFM provides to you. It is your responsibility to regularly check if you have received any communication from us and keep us informed if your contact details change.

Please also refer to the relevant Product Disclosure Statement and Client Agreement we provide you regarding how we will provide information to you and when such communication will be deemed as delivered.

4. What Financial Products and Financial Services Does OFM Offer?

Financial services and products we are authorised to provide to you

OFM does not provide tax advice and OFM recommends that you seek independent professional advice from a professional tax agent.

OFM's financial products and financial services available

In accordance with our AFSL authorisations, OFM provides:

Types	Financial Products	Role of OFM
OFM Products¹	Over The Counter (OTC) derivative products, including: <ul style="list-style-type: none"> • Margin FX Contracts; • Contracts for Difference (CFDs) over a range of underlying instruments. 	Product issuer, meaning that we act as principal for each trade you make in OFM Products on a trading platform.
OFM Services²	<ul style="list-style-type: none"> • Listed Equities³ 	Your agent. OFM is not a market participant and does not trade directly with exchanges on your behalf. When you use OFM

¹ This capitalised term has the same meaning as it has in an OFM Product Disclosure Statement and Services Statement and refers to any type of **Over-The-Counter derivative products issued by OFM**, being Margin FX Contracts and Contracts for Difference (CFDs). Please refer to the Product Schedule for a full list of OFM Products.

² This capitalised term has the same meaning as it has in an OFM Product Disclosure Statement and Services Statement and refers to the **provision by OFM of access to trading exchange-traded products**, including Listed Equities. Listed Equities mean shares, units or other financial products listed and traded on an exchange on which OFM offers OFM Services.

³ This capitalised term has the same meaning as it has in an OFM Product Disclosure Statement and Services Statement and refers to a share, unit or other security listed and traded on an exchange for which OFM offers OFM Services.

		Services, this involves us arranging for market participants to enter into trades on the relevant Exchanges on your behalf.
OFM MDA	All financial products outlined in the MDA Contract, including: <ul style="list-style-type: none"> • Listed Equities; and • OFM Products. 	Please refer to the section titled “Types of MDAs OFM Offers” below for detailed information.
OFM Custodial Services	Managed discretionary accounts & managed investment schemes	Custodian.
OFM Advisory Services	All financial products that OFM is authorised to advise on under its AFSL.	Advisor that provides both personal and general advice upon request.

Nature of financial product advice

OFM is authorised by its AFSL to provide both general and personal advice. If you are unsure if you are and/or will be receiving personal or general advice, please contact OFM directly.

General financial product advice

When we provide general advice to you, our advice does not take into account your specific financial situation, needs or objectives. Under the law regulating the provision of financial product and services, general advice and personal advice have special meanings and may differ from what you commonly understand. You should seek independent professional advice to determine whether our general advice is appropriate for your circumstances.

All financial product advice provided by OFM should be deemed as general advice unless OFM informs you that the advice is of a personal nature.

Personal financial product advice

Where OFM provides personal advice, the advice will be based on personal information that you provide to OFM. The purpose of the personal advice is to develop investment plans or recommendations that will achieve one or more of your financial objectives. OFM may consider, amongst other things, your objectives, risk profile and appetite, income level and stability, asset base and stage in life, including your age.

OFM Advisory Services - financial planning, superannuation, insurance and retirement advice

OFM provides advisory services on a range of financial products. In addition to the advisory services, we may also provide dealing services where appropriate and requested by a client.

In relation to **Self Managed Superannuation Funds (“SMSF”)**, OFM also provides administrative and compliance support services to assist you in coordinating the professional support services that you may require (such as auditors, accountants, asset allocation experts and lawyers) in operating the SMSF.

OFM may advise, manage or administer your investment funds, including but not limited to, superannuation capital on **Investor Directed Portfolio Services (“IDPS”)**.

OFM also provides financial product advice on a range of insurance products.

OFM Products – Market Making Services

OFM provides its clients with access to the following two trading platforms to trade in OFM Products:

- MetaTrader 4 Trading Platform (“**MT4**”); and
- IRESS Trading Platform (“**IRESS**”).

When you trade OFM Products via any or both of the above trading platforms, OFM will act as a principal to all your trades in OTC derivative contracts, not as an agent. This means that OFM is providing market making services in relation to OFM Products – being the product issuer.

In contrast, when you trade Listed Equities and utilise OFM Services via IRESS, OFM will not act as a principal to your trade, instead, OFM will act as your agent to pass your trade to the relevant market participants. Please note that Listed Equities and OFM Services are not available on MT4.

OFM MDA

Please refer to section 6 for detailed information.

Custodial Services

OFM provides custodial and depository services in which it holds assets on behalf of its clients. These services may be provided as part of our MDA services. OFM's custodial and depository services are not available on all types of MDA services we provide. Please refer to the section titled "Types of MDAs OFM Offers" for further information about whether we will act as an MDA custodian for a certain type of MDA services we offer. If we provide custodial and depository services to you, we will provide you with documentation that clearly identifies our legal relationship with you.

5. Other Documentation You Will Receive

You will receive other documentation from OFM in relation to OFM's financial services. You must read this FSG and any other documentation we provide to you.

Product Disclosure Statement and Client Agreement

All of the OFM Products are issued under the corresponding **Product Disclosure Statement ("PDS")**. Both OFM Products and OFM Services are covered by a **Client Agreement ("CA")** that we will provide to you.

OFM will provide you with the relevant documentation for the OFM Products and OFM Services you request:

- Product Disclosure Statement – MT4 (for OFM Products only)
- Client Agreement – MT4 (for OFM Products only)
- Product Disclosure Statement and Services Statement – IRESS (for both OFM Products and OFM Services)
- Client Agreement – IRESS (for both OFM Products and OFM Services)

OFM may also provide you with the PDS and CA issued by other product issuers if you intend to deal in such financial products through OFM.

You must ensure that you read the relevant PDS and CA and understand the contents of these documents prior to acquiring any financial products from the relevant product issuer.

Transaction Documentation

OFM will provide you with the relevant documentation regarding the requested transaction, such as a settlement/trade confirmation.

Statement of Advice and Record of Advice

We will give you a **Statement of Advice ("SOA")** only when we provide you with personal financial product advice. For example, we will provide you with a SOA prior to giving you a financial plan or establishing a MDA service. The SOA contains our advice, the basis on which we give our advice, any money or benefits that we (or our associates) will receive in providing the advice, the fees and other details about the recommended products, and warnings such as where the advice has been provided based on incomplete information. We may give you a **Statement of Additional Advice (SOAA)** if we give you further personal advice after the provision of a SOA.

Both the SOA and SOAA will be in writing. We will maintain a copy of the SOA and SOAA provided to you for seven (7) years from the advice date. Therefore, if you need a copy of the SOA and/or SOAA, please contact OFM via the contact details set out in this FSG.

We may give you a **Record of Advice (ROA)** where we maintain an advice relationship with you and your circumstances and the basis of the advice have not significantly changed. In such circumstances, we are not required to issue a new SOA. Again, we will retain ROAs for seven (7) years after giving the advice, and you may request a copy by contacting us. We request that you notify us promptly in writing if your personal circumstances change, as we may need to change our advice and/or issue a new SOA.

MDA Contract and Investment Program

If you would like to receive MDA services from OFM, you will need to enter into a MDA Contract with us. The MDA Contract includes an Investment Program and SOA. The MDA Contract is a legal contract defining the terms and conditions under which we will provide MDA services to you. The MDA Contract must be entered prior to MDA services being provided to you.

The Investment Program will contain the following information:

- the nature and scope of discretions OFM will be authorised and required to exercise under the MDA Contract;
- any significant risks associated with the MDA Contract;
- the basis on which the MDA service is considered as suitable for you;
- warnings that the MDA Contract and Investment Program:
 - may not be suitable for you if you have provided us with limited or inaccurate information about your circumstances; and
 - may cease to be suitable if your relevant circumstances change.

OFM will review the suitability of the Investment Program for each MDA Client once every twelve (12) months (unless the MDA is terminated earlier). A change in your personal circumstances may mean an earlier review is required, and it is a condition of an MDA Contract that you must inform us if your personal circumstances change.

Annual Investor Statement

An **Annual Investor Statement (AIS)** is a report which provides a comprehensive summary of your MDA. If you are a retail client, you will receive an AIS for each financial year from us within three (3) months of the end of each financial year. The AIS will contain:

- a summary of all the transactions carried out as part of your MDA;
- an annual auditor's report;
- a copy of the annual review of the Investment Program;
- SOA and ROA which were given; and
- the total management costs, and any other fees and costs associated with the MDA services, over the relevant reporting period.

Renewal Notice

OFM may issue its MDA clients a renewal notice (**Renewal Notice**) which provides a fee disclosure statement and advises the client of the applicable ongoing fees, costs and charges related to the MDA.

6. Managed Discretionary Accounts

OFM offers MDA services. For some of the MDA services OFM offers, OFM is acting as both the product issuer of the relevant financial products the MDA acquires, as well as the MDA Operator and MDA Manager. OFM has an existing Conflicts of Interest Policy that governs how we manage potential conflicts of interest.

Key information

OFM offers MDA services. An MDA is an arrangement where you grant OFM or its authorised representatives an authorisation to operate your MDA account and conduct transactions on your behalf in accordance with an agreed Investment Program, without obtaining your consent before exercising each discretion. OFM has sole discretion in determining whether to accept your application for our MDA services.

This FSG refers to a client of ours receiving MDA services as an **MDA Client**.

Please note that prior to OFM providing any MDA services to you, you will receive personal financial product advice and an Investment Program and SOA from OFM.

Please see below diagram that shows our advice process:



Importantly, you must consider our personal advice and the Investment Program provided to you and make an informed decision as to whether you wish to go ahead with a MDA. You should not enter into a MDA Contract with us unless you are confident that:

- the Investment Program meets your personal needs;
- our advisor understands your needs and objectives; and
- you understand the implications of our advisor having control of your account and making investment decisions without prior consent from you under the MDA.

You must understand that OFM provides MDA services that enable you to delegate the investment management and trading discretion for various financial product transactions to OFM. This means that OFM will invest in financial products on your behalf without prior reference to you for each individual transaction.

Types of MDAs OFM offers

OFM offers MDA services for a range of financial products including but not limited to securities, derivatives (both exchange traded and OTC) and foreign exchange contracts.

Please see below three (3) types of MDA services offered by OFM:

Type 1 – Saxo Platform	
MDA Operator	OFM
MDA Manager	OFM or its authorised representative, being Investor Centre Australia Pty Ltd (ICA)
MDA Custodian (Outsourced)	Saxo Capital Markets (Australia) Pty Ltd (AFSL: 280372) (Saxo)
Product Issuer (Outsourced)	Saxo
Further Description	<p>You have a contractual relationship with Saxo separate and distinct to your contractual relationship with OFM. We will provide you with a copy of their combined FSG and PDS, however you may also obtain it directly from their website or by contacting them. These documents set out how Saxo manages its risks.</p> <p>Under your MDA Contract and power of attorney, OFM will instruct Saxo to carry out trades on your behalf. OFM may use other custodians or product issuers from time to time, and when we do we will provide you with the relevant document related to any such product issuers.</p>
Type 2 – ICA MDA	
MDA Operator	OFM
MDA Manager	OFM, its authorised representative, or any other licensed entity in Australia which OFM may engage as MDA Manager
MDA Custodian	OFM
Trading Platform	IRESS
Further Description	<p>For this type of MDA service, you will be dealing with OFM Products to which OFM acts as the product issuer.</p> <p>Under your MDA Contract and power of attorney, the MDA Manager will execute trades through IRESS on your behalf.</p> <p>With this type of MDA, OFM as the product issuer for OFM Products, hedges all of your positions with our hedging counterparty, being CGS-CIMB.</p>
Type 3 – MetaTrader MDA	
MDA Operator	OFM
MDA Manager	OFM, its authorised representative or any other licensed entity in Australia which OFM may engage as MDA Manager
MDA Custodian	OFM
Product Issuer	OFM
Trading Platform	MT4

Further Description	<p>For this type of MDA service, you will be dealing with OFM Products to which OFM acts as the product issuer.</p> <p>Under your MDA Contract and power of attorney, the MDA Manager will execute trades through MT4 on your behalf.</p> <p>With this type of MDA, OFM as the product issuer for OFM Products, has sole discretion whether to hedge some or all of your positions with our hedging counterparties.</p> <p>OFM has a Conflicts of Interest Policy in place which requires a separation of representatives providing MDA services from representatives providing market making services (including making decisions on whether to hedge your positions).</p>
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Giving OFM instructions, voting and exercising rights

Under an MDA Contract, you can give us instructions by following the procedures in this FSG at "How to Instruct Us", or by any means established under the MDA Contract or by prior written agreement.

Usually, OFM will not be in a position to vote or exercise other rights on your behalf in relation to your underlying MDA portfolio assets (other than purchasing, varying, selling, and holding), for example in relation to corporate actions. Should your investments in such assets entitle you to vote or exercise some other right, such ability will usually be managed and/or exercised by your MDA Custodian or Product Issuer on your behalf, in accordance with your arrangement with them.

Significant risks involved in MDAs

There are significant risks associated with entering into an MDA Contract. In general, the risks of an MDA correspond to the risks of the underlying investments, being OTC derivatives and exchange-traded securities. OTC derivatives trading has a high degree of risk and you could sustain a total loss of capital and be liable for substantial losses in excess of your capital. The risks associated with each underlying asset under an MDA are set out in the relevant PDS for that particular financial product and therefore you should read the applicable PDS and understand the risks associated with the financial products, prior to entering into an MDA Contract with us.

The risks associated with any particular derivative product traded as part of an MDA service are set out in the relevant PDS for that particular product. The significant risks associated with investing through our MDA services include:

Company Specific Risk	Investment in a company's securities is subject to risk of that particular company's performance due to factors that are relevant and applicable to the company, the sector of the market to which the company belongs, or equity market generally. Where it has exposure to that security it may affect the performance of the MDA.
Concentration Risk	The reliance on a group of securities, OTC derivatives or asset class that may significantly affect the performance of your portfolio.
Counterparty Risk	The risk of loss due to a counterparty not honouring a financial commitment which may cause the value of the MDA to fall. Counterparties include brokers, settlement houses, banks and other authorised deposit-taking institutions.
Exchange Risk	Investment in a MDA must be converted to Australian dollars. Accordingly, the price of any OFM Products and OFM Services traded on international markets and, therefore, the potential profit and loss of the trade, may be affected by any variance in the foreign exchange rate between the time the order is placed and the time it is liquidated, offset or exercised.

General Economic Conditions and Market Risk	Changes in the prices of investments that may result in loss of principal or large fluctuations in the valuation of your investment within short periods of time. Factors that drive changes in asset prices including changing profitability of companies and industries, economic cycles and conditions, volume of security issuances, investor demand levels, business confidence and government central bank policies.
Inflation Risk	The risk that the prices of goods and services will rise faster than the value of the investments.
Investment Objective Risk	The risk that your investments will not achieve their performance objectives or not produce returns that compare favorably against its peers. Past performance is not necessarily indicative of future performance.
Leverage Risk	Where permitted by the applicable laws, the MDA may be operated based on a notional value, i.e. leverage is being used. If leverage is used to make an investment and the market moves against your position, your loss is much greater than it would have been if the investment had not been leveraged. In general, leverage magnifies both gains and losses.
Liquidity Risk	The MDA may invest in markets that are volatile and which may become illiquid. Accordingly, it may be impossible (in the event of trading halts) or expensive for OFM to liquidate positions against which the market is moving. Alternatively, it may not be possible in certain circumstances for a position to be initiated or liquidated promptly (in the event of insufficient trading activity in the relevant OFM Products and OFM Services).
Margins Risk	You could sustain a total loss of initial margin funds that you deposit to establish or maintain a position. If the market moves against your position or the product issuer decides to change the margin required for your positions, you may be required, at short notice, to deposit additional margin funds in order to maintain your position(s). Those additional funds may be substantial. If you fail to provide those additional funds within the required timeframe, your position may be liquidated at a loss and in that event, you will be liable for any shortfall in your account resulting from that failure.
MDA Operator and MDA Manager Risk	Under the Investment Program, OFM and the MDA Manager will seek to generate income and capital growth by trading in OFM Products and obtaining access to OFM Services. While it is OFM's and the MDA Manager's intention to make profits every time we trade, you should be aware that not all trades will result in a profit, and there can be no guarantee that the Investment Strategy will be authorised. Under an MDA, you will authorise OFM and the MDA Manager to transact on your portfolio without your consent, which may give you little or no control over investment decisions.
Operational Risk	Transactions are traded on an electronic trading platform. As with all electronic platforms and systems, they are subject to possible failure or temporary disruption such as when caused by power failures, fire or other systemic problem. If the system fails or is interrupted, OFM will have difficulties in executing transactions including liquidation and close out of positions. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Further, the result of any system failure may be that your order is not executed according to your instructions or is not executed at all.

Over-the-counter Transactions	(OTC) For any transactions not conducted on an exchange it may be difficult or impossible to liquidate, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, such transactions may involve increased risk. Further, off-exchange transactions may be less regulated or subject to a separate regulatory regime.
Price Deviation Risk	The value of a derivative may not be completely correlated to the underlying assets to which it is intended to follow, and for a variety reasons the price of a derivative or changes in it may deviate from the price of an asset or changes in it, and could vary significantly.
Product Risk	The risks of you in utilising the MDA service also include those existent in non-discretionary dealings in the exchange-traded and OTC derivative transactions. These risks are referred to in the PDS or the relevant financial product. The PDS should be carefully read and reviewed prior to acquiring the financial product. Derivatives carry a high level of risk to your capital and you should only trade with money you can afford to lose.
Regulator Risk	Changes of law and other statutory restrictions, including but not limited to taxation and corporate regulatory laws, practice and policy.
Tax Risk	OFM makes no consideration as to tax implications of MDA transactions.
Transaction Costs and Risk Management	To reduce the risk of loss, the MDA Manager will utilise certain risk management processes, including undertaking many trades throughout the trading month to diversify across both price and time. You should be aware that each trade placed by OFM on your behalf will incur transaction costs. Such costs may be significant.
Underperformance portfolio's strategy	of The strategy chosen for a portfolio may underperform its stated performance objectives, even if the general market performs well. Neither OFM nor the MDA Manager can assure performance of the investment strategy, so underperformance of a program manager is one of the key risks for you.
Volatility Risk	The potential for the price of your portfolio to vary sometimes distinctly over a short period of time. The greater the volatility of the returns the more likely it is the returns will differ from those expected over a given time period.

Under a MDA, you grant an authorisation to OFM to control the day-to-day investment decisions in relation to the your account and will be bound by OFM's trading decisions. OFM may undertake a large number of trades for you, incurring substantial transaction costs. While it is the intention of OFM to make profits every time we trade the markets, OFM's judgment on a particular trade may be incorrect and result in a loss.

MDA service arrangements in relation to derivatives and foreign exchange products are usually best suited to clients who understand financial markets and the risks associated with trading in these markets. OFM recommends that all clients obtain independent advice before entering into an MDA Contract with us.

Where MDA assets are held by a third party and/or a third party product issuer, you will have a credit risk to that third party for which OFM is not responsible. The manner in which positions are held impact the risk of default by any party including OFM or a third party product issuer. Where MDA assets are held by OFM as product issuer or OFM is providing custodial and/or depository services, you have a credit risk to OFM. Please refer to the relevant PDS for a detailed description of the credit risk you will be exposed to.

Outsourcing under the MDA

For the three types of MDAs OFM offers, OFM has different outsourcing arrangements. Please refer to the section titled “Types of MDAs OFM Offers” for a list of our outsourcing partners.

Prior to engaging with any third party service provider, OFM will assess the service provider on their merits and reputation, and will consider matters such as:

- their size and reputation in the market;
- their duration of operation and their track record; and
- any other factor that could present a risk or negatively impact your portfolio.

OFM generally only deals with third parties who we deem to be market leaders, highly skilled and reputable in the particular area of service.

When we outsource certain functions to a third party, OFM will monitor the performance of that third party service provider closely by observing the performance of their service on an ongoing basis against the third party service agreement. We also ensure that we have mechanisms in place to terminate the relationship quickly and efficiently should the need arise.

Non-limited recourse products

Your portfolio assets may include financial products that are regarded as "**non-limited recourse products**". A non-limited recourse product is a financial product that may require further consideration in the event of the occurrence or non-occurrence of an act, matter or thing. For example, CFDs may require a future payment based on the value of the CFD at the time.

The types of non-limited recourse products that may be included in your portfolio, the key features of each type, the key risks and the degree of leverage are set out in the table below.

Type of product	Contracts For Difference (CFDs)	Margin FX Contracts
<p>Key features</p>	<p>A CFD is a leveraged OTC derivative product that allows investors to take a position on the change in the value of an underlying asset. Parties form a contract to pay in cash the difference in the price or value of the underlying instrument between the time at which the contract is entered into (“opened”) and the time at which it is exited (“closed”). This allows investors to gain a leveraged economic exposure to an underlying instrument without the need to hold the instrument.</p>	<p>A Margin FX Contract is a leveraged OTC derivative product that allows investors to take positions on the change in a foreign currency (which is the underlying instrument). Parties form a contract to pay in cash the difference in the price or value of the underlying instrument between the time at which the contract is entered into (“opened”) and the time at which it is exited (“closed”). A Margin FX Contract is different from a foreign currency exchange, as no foreign currency is actually exchanged.</p>

<p>Key risks</p>	<ul style="list-style-type: none"> • Leverage: CFDs are leveraged. Leverage can magnify losses as well as gains; • CFDs are a contract with the CFD provider. As such, interests are exposed to credit risk (i.e. the risk that the provider defaults and cannot meet their obligations); and • Margin: CFDs are not limited recourse and therefore you may be subject to margin calls and may lose more than the value of your ongoing investment. • Foreign exchange risk: Foreign currency conversions required for your Account can expose you to foreign exchange risks between the time the Contract is entered into and the time the relevant conversion of currencies occurs. • Liquidity risk: When there is a lack of liquidity in the Underlying Instrument, you may not be able to enter or exit a Contract at your requested price. • Market risk: Financial markets are subject to price fluctuations, there is no guarantee or assurance that you will make profits, or not make losses, or that unrealised profits or losses will remain unchanged. 	<p>Similar to CFDs, but the underlying asset is the value of a specified foreign currency.</p>
<p>Leverage and maximum potential liability</p>	<p>CFDs generally only require a fraction of the notional value of the CFD to be lodged upfront of margin. Leverage rates are currently 100:1. If you take a long position in a CFD, your maximum potential liability is equal to the notional value of the underlying position. If you take a short position your maximum potential losses are unlimited.</p>	<p>Similar to CFDs, but the underlying asset is the value of a specified foreign currency.</p>

<p>An example of the holder's potential liability (in \$)</p>	<p>You have an Account with OFM with a balance of USD10,000.</p> <p>You bought a Margin FX Contract on AUDUSD of 10 lots with a price of 0.8800. The Margin Percentage used is 1:200 (equals 0.5%).</p> <p>Therefore, the Total Margin Requirement for this transaction equals USD4,400 (being 1,000,000 X 0.88 X 0.5%).</p> <p>You placed a Stop Loss Order at 0.8750 in an attempt to limit the loss to USD5,000 should the market move against you.</p> <p>The market moved towards 0.8760 near the market close on a Friday and you decided to keep the Contract over the weekend.</p> <p>There was unexpected news over the weekend and on the next Monday the AUDUSD opened at 0.8650. Therefore, the Stop Loss Order will be triggered immediately by the trading platform used when market opened at 0.8650 and you suffered a loss in the amount of USD15,000.</p> <p>You would therefore have a debt to OFM in the amount of USD 5,000.</p>	<p>Similar to CFDs, but the underlying asset is the value of a specified foreign currency.</p>
<p>OFM's policy: communicating and satisfying margin calls, providing collateral or making payments</p>	<p>OFM has a clear policy in relation to margin and our rights to close out your contracts. OFM's margin practice is an automated process via our trading platform which will automatically post warnings to the account if you do not meet the margin requirements.</p>	<p>OFM has a clear policy in relation to margin and our rights to close out your contracts. OFM's margin practice is an automated process via our trading platform which will automatically post warnings to the account if you do not meet the margin requirements.</p>
<p>OFM's policy: closing positions</p>	<p>OFM will seek to adopt a conservative approach and will seek to close out positions before material losses occur.</p>	<p>OFM will seek to adopt a conservative approach and will seek to close out positions before material losses occur.</p>

Withdrawals of Funds / Closing Account

Termination of your MDA Contract with us must be made in accordance with clause 15 of the MDA Contract. Termination of the MDA Contract does not affect transactions commenced before termination or any existing rights and obligations incurred prior to termination. OFM will do all things necessary to settle, exercise or meet all such transactions, rights or obligations after termination. OFM does not charge fees in relation to the termination of the MDA Contract.

Please also refer to the MDA Contract for withdrawal processes.

7. Costs, Fees and Charges

OFM may charge fees, costs and other charges for OFM Products, OFM Services, OFM MDA services and any other financial services we provide to you. Description of the costs, fees and charges for the OFM Products, OFM Services,

OFM MDA services, and any other financial services are set out in Schedule 1 and Schedule 2 of this FSG, the relevant PDS, Client Agreement and Pricing Schedule given to you.

All costs, fees and charges and other amounts payable are subject to change from time to time. For all non-MDA services, we will provide you notification of such changes by email, in writing or where you have agreed with us posting a notice on our website at www.olivefinancialmarkets.com.au. For all MDA services, we will generally provide you at least thirty (30) days' notice of any change in fees.

We reserve the right to negotiate different fees and charges with different clients.

Where you have been referred to OFM by a third party, we may share a percentage of our revenue derived from your account with the referring party or provide other remuneration arrangements.

An amount calculated based on commission or spread on our products acquired by you may be paid to third parties and/or our employees. If such payments are considered "conflicted remuneration" under the Corporations Act then they will only be made with your explicit consent and you are entitled to receive full details regarding such payment upon written request. Where you are paying our employees, authorised representatives or third parties for advice, financial services and products, or other services or products, then we may those amounts from your account with your consent. Such consent may be provided over the platform or technology.

However, if an amount, which may be calculated by reference to the commission or spread on our products acquired by you, may be paid to third parties, authorised representatives or employees without your express consent where such payment is not deemed "conflicted remuneration" under the Corporations Act, any such payment will be paid by us and not by you.

If you are unsure whether these arrangements apply to you, please contact the referring third party or us.

8. Employee Remuneration

OFM's employees are remunerated by way of salary and other employee benefits. A discretionary cash bonus may be paid to employees as part of their remuneration, based on their individual performance, the performance of their business unit and/or OFM as a whole. In addition, OFM's employees may also earn performance based commissions and/or other monetary rewards, calculated by reference to predetermined business objectives that may include contribution to company profitability, client service, risk management and marketing.

9. Complaints Resolution

OFM strives to provide you with a high quality financial products and services. As required by law, OFM has an internal dispute resolution (**IDR**) process in place to resolve any complaints. Please direct your concerns to the Complaints Officer (by telephone, email or letter) at the details shown in section 3 this FSG.

The Complaints Officer will, on receipt of your written notice:

- Provide a written acknowledgement of your complaint within five (5) business days and indicate a timeframe in which OFM will formally respond to your complaint;
- Consider and investigate the circumstances of your complaint, which may also involve communicating directly with you;
- Notify you in writing of our decision, including the reasons for the decision and any potential remedies, within twenty (20) business days from receipt of your complaint;
- If your complaint is not resolved within 20 business days, the Complaints Officer will inform you in writing of the reasons for the delay.

Where you have any redress (financial or otherwise), we will provide that redress promptly. If the complaint can't be resolved to your satisfaction by OFM through our IDR process, you have the right to refer your complaint to the **Financial Ombudsman Service Australia (FOS)**.

FOS is an independent and external disputes resolution scheme, of which OFM is a member.

Before 31 October 2018, you may lodge your complaint with FOS by sending the relevant information and documents to:

Financial Ombudsman Service Australia

GPO Box 3

Melbourne VIC 3001 Phone: 1300 780 808

Fax: (03) 9613 6399 Website: www.fos.org.au

If you wish to make a complaint after 31 October 2018, it may be done through the **Australian Financial Complaints Authority (AFCA)** by post at GPO Box 3, Melbourne VIC 8007, by accessing its website at www.afca.org.au, or by phone at 1800 931 678.

You may also contact ASIC's free call Infoline on 1300 300 630 to make a complaint and obtain information about your rights.

10. Compensation Arrangements

We hold Professional Indemnity Insurance cover for the activities conducted under our AFSL. Our Professional Indemnity insurance cover is subject to the policy terms and conditions. OFM considers that its insurance cover generally satisfies the requirements of s912B of the Corporations Act.

11. Conflicts of Interest and Associations

OFM, its associates and/or other persons connected with OFM may have an interest, relationship or arrangement that is material in relation to any products entered into with us or any financial services we offer. We may provide financial services to third parties whose interests may be in conflict (taking an opposite position) or competition (to acquire the same or similar position) with your interests. We will not act in a way that would deliberately favour the position of another party over you or vice versa.

In relation to OFM Products, you will be trading these financial products directly with us and not on any financial market or exchange. As the contract issuer for OFM Product, we set the prices that refer to, but may not always be the same as, those in the underlying market. We will always act as principal, not as an agent, for our own benefit in respect of all of our transactions with you in relation to OFM Products.

Conflicts of interest may occur from time to time. OFM will advise you of any material interest that could reasonably be expected to influence our recommendation of a financial product to you, either verbally or within an SOA, SOAA or ROA.

12. Your Privacy

We will require you to provide personal information in the course of transacting with us. OFM collects, maintains, uses and discloses personal information in the manner described in our Privacy Policy. This is primarily for processing your application and complying with certain legal obligations, such as Anti Money Laundering and Counter Terrorism Financing laws.

OFM adheres to the Australian Privacy Principles with regard to the management of personal information. Please see our Privacy Statement for further information: <http://www.olivefinancialmarkets.com.au/legal-info>.