

eToro Aus Capital Pty Ltd

FINANCIAL SERVICES GUIDE

Purpose and content of this FSG

The financial services referred to in this financial services guide (FSG), prepared and dated 25 July 2018, are provided by eToro Aus Capital Pty Ltd (ACN 612 791 803; AFSL No. 491139) (“eToro Australia”, “we” or “us”).

This FSG has been designed to provide you with important information regarding our financial services to assist you in deciding whether to use any of these financial services.

This FSG contains the following important information:

- Information about eToro Australia and our contact details
- General information about the financial services and products we provide
- Any potential conflict of interest we may have
- How we deal with complaints about our services and products
- How we deal with your personal information
- Our fees and charges

Information about eToro Australia

eToro Australia is an Australian incorporated company, licensed to provide financial services in OTC derivatives to retail clients and wholesale clients.

Further information about EToro is available on its website at www.etoro.com.

eToro Australia is part of the eToro group of companies. None of the other companies in the eToro group guarantee or assure the performance by eToro Australia of its obligations to you.

Contact details:

eToro Australia can be contacted at:

Level 26, 1 Bligh Street,

Sydney NSW 2000

Telephone: +61 2 8016 9335

Email: info@etoro.com.au

or through our website at www.eto.com.

Our relationship with you

eToro Australia is responsible for the financial services we provide to you.

In the provision of the financial services to you, eToro Australia acts as principal in our transactions with you. eToro Australia is responsible for the financial services it provides to you through our employees.

eToro Australia may also arrange for you to be supplied with financial services and products issued by non-related product providers. eToro Australia may receive a fee or commission payment from these non-related issuers or providers as a result of you investing in one of their products or services.

Financial services we are authorised to provide

Under its AFSL, eToro Australia is authorised to carry on financial services business:

- (a) to provide general financial product advice for the following classes of financial products:
 - (i) derivatives; and
 - (ii) foreign exchange contracts;
- (b) to deal in a financial product by:
 - (i) issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:
 - (A) derivatives; and
 - (B) foreign exchange contracts; and
 - (ii) applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:
 - (A) derivatives; and
 - (B) foreign exchange contracts; and
- (c) to make a market for the following financial products:
 - (i) foreign exchange contracts; and
 - (ii) derivatives;

to retail and wholesale clients.

General advice only

eToro Australia only provides **general** (not personal) financial product advice which means that we do not take into consideration your personal financial needs, objectives and financial circumstances.

Under the law regulating provision of financial services, general advice and personal advice have special meanings and may differ from what you commonly understand. General advice can include direct or implied recommendations about financial products or services, whether generally or for a class or kind of investor, without taking into account your particular circumstances. General advice includes advice based on consideration of the investment alone (including by reference to current market conditions). Such general advice is provided without any expressed or implied recommendation that it is appropriate for you in light of your personal circumstances. You should be aware that general advice or information is not complete and it might lose currency or accuracy.

Regular updates, marketing materials, research reports, market reports, case scenarios, investment strategy reports, PDSs or other offer documents and website content are not personal advice.

We assess you for suitability for our CFDs. We or our affiliates might assess you for suitability for ancillary services or trading tools, such as CopyTrading. These suitability assessments are for initial risk and compliance management only, and may not be taken as representing, inferring or implying any duty of care or fiduciary duty, or that the financial products and financial services we provide to you are suitable for your personal financial needs, objectives and financial circumstances.

The onus is on you, as the client, to assess whether the services, products, information or general advice provided is appropriate for your personal needs, objectives and circumstances.

Other documents you may receive

Product disclosure documents and Financial Product Terms

YOU will receive from us a product disclosure statement (PDS) that makes disclosures about our contracts for differences (CFDs). The PDS contains important information to assist you in making a decision about the product. This should be read with the Financial Product Terms (made advisable when you apply or downloadable from our website). You must agree to them before transacting with us.

Affiliate's documents

We arrange for you to use services from our affiliates. This is so you can access integrated services provided globally. The affiliates' services cover the trading platform, data feeds, social tools and trading tools such as CopyTrading. These are not financial services provided by eToro Australia and are arranged by us for you. Their respective terms of service (including any end user agreement) are downloadable from our website or free of charge on request.

Instructions and transacting

You may only transact with our CFDs using the eToro trading platform.

In limited circumstances you can contact us by telephone, mail, or email. Please note that we do not accept any Orders by email, telephone or mail. Any instructions relating to change of details, withdrawals or transfers must be made through your account using our platform. For any instructions provided over the telephone, eToro Australia will acknowledge the instructions via email and confirmation will be required by you via return email.

Disclosure of conflicts of interests

eToro Australia acts as principal when providing the financial services to you. eToro Australia does not act as your agent or broker.

eToro Australia is part of the eToro group of companies, which provides services globally. eToro Australia arranges for some services from its affiliates as part of an integrated global offering. Please note that only eToro Australia provides financial products and financial services to its clients. For those financial products and financial services It does not act as agent for any of its affiliates and you have no rights against those affiliates unless and to the extent they provide other services to you (such as the eToro trading platform). eToro Australia hedges all of its CFDs with a third parties. Accordingly, eToro Australia may be charged for hedge contracts and for services to it, and may pay amounts to its affiliates for that including wholly or partly based on your trading with eToro Australia.

eToro Australia directors and employees may hold or invest in any of the financial products that we issue to our clients.

eToro Australia may pay a fee or other benefit to other persons for introducing or for acting on behalf of clients, either by way of one-off fee, as a percentage of income generated by those clients referred to eToro Australia, or a combination of both. Those other persons may be obliged to disclose to you the fees or other benefits they receive.

eToro Australia has a policy for managing, avoiding (if appropriate) and disclosing relevant conflicts of interests, available on request.

Employees and representatives

Our employees and other representatives are remunerated through a base salary and non-base salary compensation for their work for eToro Australia and related entities. The non-base salary includes a share of fees, revenue or other payments earned by eToro Australia (and, depending on the scope of their employment, related entities) which provides the financial product or service. The proportion of the

employees' and other representatives' non-base compensation in aggregate ranges up to 75% of their overall compensation over time. Individual remuneration is based on their level of experience, length of service with eToro Australia or its related entities, the level of qualifications, their contributions and market conditions.

Our employees and other representatives may also benefit from various internal incentive schemes including seminars, conferences and training programmes and non-cash rewards. Participation in these schemes is generally based on revenue production, minimum length of service and compliance with group policies and industry regulations.

Professional indemnity insurance

eToro Australia has the benefit of professional indemnity insurance that complies with section 912B of the Corporations Act 2001 (Commonwealth) (**Policy**). Subject to its terms, the Policy covers certain clients for loss or damage suffered as a result of breaches of the relevant obligations of eToro Australia and its employees in relation to its AFSL.

Also, subject to its terms, the Policy covers certain breaches by eToro Australia's employees and representatives employed by eToro Australia at the relevant time.

Disputes and complaints handling

eToro Australia is committed to providing our clients with outstanding service. If you have a complaint about the financial product or service provided to you, please raise the issue with us by taking the following steps:

1. Contact our eToro Australia Dispute Resolution Officer and provide the details of your complaint. You may do this by telephone, email or letter.
2. If your complaint is not satisfactorily resolved, within three (3) Business Days of receipt of your initial complaint, please put your complaint in writing and send it to the Compliance Department at: eToro Australia Pty Ltd

Level 26, 1 Bligh Street
Sydney NSW 2000

or by email at info@etoro.com.au

eToro Australia will make every effort to try to resolve your complaint quickly and fairly. Complaints received in writing will be acknowledged within two (2) Business Days of written receipt of your complaint and we will use our best endeavours to try to resolve your complaint within 45 days of receipt of your written complaint.

3. If you are not satisfied with the final response provided by our Compliance Department, you may exercise your right to complain to the Financial Ombudsman Service Ltd (FOS), if your complaint is within its rules. FOS is an external dispute resolution scheme. The contact details for FOS are:

Financial Ombudsman Service Limited
G.P.O. Box 3
Melbourne VIC 3001
Telephone: 1300 780 808
Website: www.fos.org.au

Please note that we will need to respond to your complaint prior to FOS initiating any investigation into your complaint.

eToro Australia is a member of the FOS complaints resolution scheme (No. 40378). The service provided to you by FOS is free of charge.

The Australian Securities and Investments Commission (ASIC) also has an Info line on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

Privacy

Your privacy is important to us and we are committed to compliance with the Privacy Act 1988 (Commonwealth). We maintain a record of your personal profile which includes your personal details and details of your objectives, financial situation and needs. We also maintain records of any recommendations made to you.

We may disclose your personal information to external parties, such as our financial service providers, for the purposes of arranging or facilitating your investments or transactions. These external parties are committed to protecting your privacy. We may also collect, hold and use your personal information to undertake appropriate administration, including in relation to the "Know Your Client" obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth) and its related regulations.

You can obtain a copy of our Privacy Policy by contacting us or visiting our website at: www.etoro.com.

How we are remunerated

We are mainly remunerated by the fees, costs and charges for our CFDs, which are disclosed in the PDS for those products.

Fees, charges and remuneration

The fees, costs and charges for our CFDs are disclosed in the PDS for those products.