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IMPORTANT NOTICE

This document contains two Product Disclosure Statements (**PDSs**) which relate to the relevant financial products and services offered on the eToro Trading Platform by either eToro Aus Capital Ltd ACN 612 791 803 AFSL 491139 or Gleneagle Asset Management Limited ABN 29 103 162 278 AFSL 226199. You should read the information in both PDSs before deciding to invest on the eToro Trading Platform.

ETORO AUS CAPITAL PTY LTD

PRODUCT DISCLOSURE STATEMENT

Issue Date: 29 March 2021

eToro Aus Capital Pty Ltd

ACN 612 791 803

AFSL 491139

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Section 1 – Important Information

1.1 This PDS

This Product Disclosure Statement (**PDS**) is dated 13 July 2020 and was prepared on that date by eToro Aus Capital Pty Ltd ACN 612 791 803; AFSL 491139 (**eToro Australia**), as the issuer of over the counter contracts for difference (**eToro Australia CFDs**) (collectively, where applicable, these will be referred to as “CFDs” in this PDS).

This PDS is to make the required disclosures and to help you decide whether the CFDs described in this PDS are appropriate for you. You may also use this PDS to compare this financial product with similar financial products offered by other issuers.

This PDS describes the key features of our CFDs, their benefits, significant risks, the costs and fees of dealing in them and other related information. The CFDs are leveraged financial products so you should read this PDS and the Financial Product Terms in full before making any decision to invest in them.

Some expressions used in this PDS have definitions given in the Glossary at the end of this PDS (see Section 7).

1.2 eToro Australia CFDs

This PDS covers eToro Australia CFDs traded on the eToro Trading Platform. These OTC CFDs are derivative products issued by eToro Australia (pursuant to the Financial Product Terms) and are not Exchange traded products.

1.3 Your potential liability

Please especially read the “Key Information” in Section 2 and “Significant Risks” in Section 4 for important information about your potential liability.

Potential investors should carefully consider the significant risks involved in trading in over the counter leveraged derivatives, and understand and accept the risks of investing in our CFDs.

Trading in our CFDs is not suitable for all investors because of the significant risks involved (see section 4 on “Significant Risks”).

Your potential total liability for all of your CFDs is limited to the balance in your Account.

You should carefully consider the risks of our CFDs and your capacity to meet your obligations before investing.

This initial warning cannot set out and duplicate all of the important information in this PDS. You should read all of this PDS and the Financial Product Terms before making a decision to invest in the financial products covered by this PDS. We recommend that you contact us if you have any questions arising from this PDS or the Financial Product Terms prior to

entering into any transactions with us. eToro Australia recommends that you consult your adviser or obtain independent advice before trading.

1.4 eToro Australia does not give Personal Advice

eToro Australia will not give you personal financial advice about the CFDs.

This PDS does not constitute a recommendation or opinion that the CFDs are appropriate for you.

Potential investors should be experienced in derivatives and understand and accept the risks of investing in CFDs. The information in this PDS is for general information purposes only, so it does not take into account your personal objectives, financial situation and needs.

This PDS describes the CFDs that are issued to you in accordance with the Financial Product Terms. You should read all of this PDS and the Financial Product Terms before making a decision to deal in financial products covered by this PDS. We recommend that you contact us if you have any questions arising from this PDS or the Financial Product Terms prior to entering into any transactions with us. eToro Australia recommends that you consult your adviser or obtain independent advice before trading.

1.5 Your suitability to deal in the CFDs

If we ask you for your personal information to assess your suitability to deal in the CFDs and we accept your application to deal in these CFDs, this is not personal advice or any other advice to you. You must not rely on our assessment of your suitability since it is based on the information you provide and the assessment is only for our purposes of deciding whether to open an Account for you. You may not later claim you are not responsible for your losses merely because we have opened an Account for you after assessing your suitability. You remain solely responsible for your own assessments of the features and risks, all losses and for trading with eToro Australia so you should seek your own advice on whether the CFDs are suitable for you.

1.6 Currency of PDS

The information in this PDS is up to date at the time it was prepared but is subject to change at any time. Any updates will be posted on our website (accessible from www.etoro.com for the pages for eToro Australia). A copy of this PDS can be downloaded from the website or you can call eToro Australia to request that a paper copy be provided to you free of charge. If the new information is information which is materially adverse to you, we will issue either a new PDS or a supplementary PDS containing the new information. If the new information is not materially adverse to you, you will be able to find updated information on our website at www.etoro.com or by calling us using the contact details given below. Upon request, we will send you a paper copy of the information free of charge.

1.7 Contact

eToro Australia can be contacted at:

Level 9, 19 Hunter Street,

Sydney NSW 2000

Telephone: +61 2 8067 6005

Email: info@etoro.com.au

or through our website at www.etoro.com

Section 2 – Key Information

2.1 ASIC Product Intervention Order

On 29 March 2021, the Australian Securities and Investments Commission imposed new conditions on the issue and distribution of CFDs to retail clients. The Order brings Australian practice into line with protections in force in many other markets.

From 29 March 2021, ASIC's product intervention order will:

1. restrict CFD leverage offered to retail clients to a maximum ratio of:
 - o 30:1 for CFDs referencing an exchange rate for a major currency pair;
 - o 20:1 for CFDs referencing an exchange rate for a minor currency pair, gold or a major stock market index;
 - o 10:1 for CFDs referencing a commodity (other than gold) or a minor stock market index;
 - o 2:1 for CFDs referencing crypto-assets;
 - o 5:1 for CFDs referencing shares or other assets
2. standardise CFD issuers' margin close-out arrangements that act as a circuit breaker to close-out one or more of a retail client's CFD positions when initial margin is depleted to a specified level
3. protect against negative account balances by limiting a retail client's CFD losses to the funds or positions held in their CFD trading account, and
4. prohibit CFD issuers from giving or offering certain inducements to retail clients in relation to CFD trading (for example, offering trading credits and rebates or 'free' gifts like iPads).

The order will remain in force for 18 months, after which it may be extended or made permanent.

2.2 Key Features of our CFDs

- The CFDs are over the counter derivatives issued by eToro Australia. They are not Exchange traded.
- They are for investing indirectly in a range of instruments including for example foreign exchange currencies, index level, commodities, metals, ETFs, equities and cryptocurrency price movements around the world without having to own and pay full value of the Underlying Instrument.
- Your Account must be funded before CFDs are issued to you. You do this by paying at least the Initial Margin (and you should consider funding the Account in anticipation of any fees and charges described in Section 5).
- You remain liable to pay later Variation Margins and to maintain the required amount of Margin Cover. If you do not maintain the required Margin Cover or you do not pay the required Margin call by the required time, your CFDs can be Closed Out and you remain liable to pay for any remaining shortfall
- Unlike CFDs traded on an Exchange, the CFDs are not standardised. The terms of a contract may, in eToro Australia's discretion, be individually tailored to the requirements of the parties to the contract – you and eToro Australia.

- You have no right or obligation to acquire the Underlying Instrument itself.

2.3 Key Benefits of our CFDs

- Our CFDs enable you to take a trading position with an exposure to a particular Underlying Instrument without needing to buy or sell the actual full value of the Underlying Instrument.
- Relatively low transaction costs mean CFDs are a cost effective and convenient way of gaining exposure to the world financial markets without having to buy the Underlying Instrument itself.
- You can use the CFDs to speculate, with a view to profiting from market fluctuations in the Underlying Instrument. You may take a view of a particular Underlying Instrument and so invest in the CFDs intending to make a profit.
- You can use the CFDs to hedge your existing exposure to an Underlying Instrument.
- You can deal in our CFDs with a view to profiting in both rising and falling markets.
- The CFDs involve leverage which can be set by you within the range offered from time to time for each CFD. This could range from 1:1 to a maximum of 30 times leverage depending on the instrument traded. Our CFDs potentially let you invest a relatively small amount (in the form of the Initial Margin) to have an exposure to the Underlying Instrument without having to pay the full price of the Underlying Instrument. This leverage gives you the potential to take a greater level of risk for a smaller initial outlay, so this increases the potential risks and rewards. Leverage can magnify losses (see Section 4 – Significant Risks and, in particular, the paragraph "Loss from Leverage" at section 4.1).
- Your monies paid as Margin are kept in the eToro Australia client monies trust account until either paid back to you or paid to eToro Australia for fees, costs and charges (if applicable) or if your Account Value has suffered a Realised/Unrealised Loss.
- If your Account Value has benefited from a Realised/Unrealised Profit, eToro Australia will pay money (or credit) equivalent to that amount of the Realised Profit into the eToro Australia client monies trust account for your benefit. This means your Account gets paid cash (or is credited) for gains, even before you Close Out your CFDs.

2.4 Key Risks of our CFDs

The key risks of investing in the CFDs are outlined below. Please see Section 4 for further information on the description of the significant risks.

- **Leverage** – The CFDs are leveraged when the amount you pay (i.e., the total Margin and fees, charges and costs) to eToro Australia is less than the full-face value of the Underlying Instrument.
- **CFDs are typically low margin, high leveraged investment** You should be prepared for greater risks from this kind of leveraged derivative, including being liable to pay eToro Australia more Margin and your Account's Margin Requirement changing rapidly in response to changes (e.g., in the market for the Underlying Instrument).
- **Loss of your moneys** – Your potential losses on (long or short) CFDs may exceed the amounts you pay (as Margin) for the contract or amounts we hold on trust for you.
- **Trust moneys are withdrawn to pay for the CFDs for the Realised Loss** – The money that you pay into the

eToro Australia client monies trust account will be withdrawn to pay eToro Australia for the CFDs for fees, costs and charges or when there is a Realised Loss. The monies are withdrawn as payments to eToro Australia, so, once withdrawn they are not held on trust for you and you lose the benefits of holding those moneys in the eToro Australia client moneys trust account.

- **Margin Cover requirements** – You must have in your Account sufficient Margin Cover so you will need to pay Margin before CFDs are issued and, after that, you may be liable to pay more Margin to maintain the position. The Margin Requirement will usually be at least:
 - the Margin required by eToro Australia for the contract (initially and later); and
 - the Margin required by eToro Australia to cover any payments for Realised/Unrealised Loss on other positions in your Account; and
 - any Margin required by eToro Australia to cover adjustments for any foreign exchange rate; and
 - any Margin required before the Margin Closeout level is triggered (see section 3.14 under "Margin Requirement obligation" for further information).

If you do not meet the Margin Requirement for your Account, including at little or no notice, some or all of the CFDs may be Closed Out without notice to you.

- If the total equity in your account falls below 50% of the margin required for all your open CFD positions, one or more of your CFD positions will be automatically closed out in order to satisfy margin requirements as soon as market conditions allow.
- **eToro FX CFDs** which are denominated in foreign currency can expose you to fast and large changes to the value of your position and to your Account, potentially triggering the need for more Margin to be paid by you, including at short or no notice.
- **eToro Cryptocurrency CFDs** can expose you to fast and large changes to the value of your position and to your Account, potentially triggering the need for more Margin to be paid by you, including at short or no notice. These CFDs have other risks, such as possible delays in closing out due to underlying illiquidity, or volatility or early close out due to up to the underlying cryptocurrency.
- **Gapping Risk** – The term 'gapping' refers to a situation where a CFD opens at a much higher or lower price than the previous close. In currency trading 'gapping' typically occurs when the currency re-opens for trading after a weekend. When 'gapping' occurs, you may not be able to exit an existing position at the price you have specified; instead, your Order may be filled at the next best price that may be better or worse.
- **Execution Risk (Slippage)** – We aim to provide the best possible execution from our systems and fill Orders at the requested rate; however, there may be times where, due to an increase in volatility or volume or other market conditions, some price 'slippage' may occur. This generally occurs during significant news events or 'gapping'. Execution is also subject to available liquidity in the Underlying Instrument. Your Orders may not be filled due to the Underlying Instrument price moving significantly or liquidity exhausted, in which case your Order will be filled at the next available price.
- **Execution Risk (Delays)** – Execution delays may occur for a number of reasons such as technical issues with your internet connection to our servers. Connection strength

may vary depending on the kind of device used; interruptions may cause a delay in the transmission of data between our servers to the eToro Trading Platform.

- **Liquidity Risk** – Liquidity risk typically occurs in volatile markets or in circumstances where there is a major news announcement. When there is a lack of liquidity in the Underlying Instrument, you may not be able to enter or exit a Transaction at your requested price.
- **Market Volatility** – Financial markets are subject to high volatility causing rapid price fluctuations. This is primarily due to external influences and unforeseen events. This affects prices and spreads of CFDs.
- **System Risk** – Operational risk is inherent when trading online. Disruptions in operational processes such as communications, computer networks or external events may lead to trade execution problems.
- **Counterparty risk** – you have the risk that eToro Australia will not meet its obligations to you under the contract. The CFDs are not Exchange traded so you need to consider the credit and performance risk you have on eToro Australia. This is further explained in Sections 3.21 to 3.24.

2.5 Your suitability

We may make an initial assessment of your suitability to invest in the CFDs based on the information you give us. You should always make your own assessment of your suitability to deal in our CFDs. You should carefully consider the features of CFDs and their significant risks before investing in them.

Some key suitability considerations for you are:

- whether you have experience in trading in the Underlying Instrument;
- whether you understand the terms of our CFDs and how they work;
- whether you accept a high degree of risk in trading in these CFDs;
- whether you can monitor your investments and manage them in a volatile market;
- whether you have financial resources to provide more Margin, especially on little or no notice; and
- whether you can bear substantial losses that might arise from trading in these CFDs, especially the potential for unlimited losses.

Our assessment of your suitability is based on your information and any other information we ask and you give us.

During the Account establishment process, you will be required to complete a questionnaire regarding the CFDs. We can only establish your Account after you have successfully passed the questionnaire.

To the extent permitted by law, we do not accept liability for your choice to invest in any CFDs so you should read all of this PDS and the Financial Product Terms carefully, consider your own needs and objectives for investing in the CFDs and take independent advice as you see fit.

2.6 Nature of the CFDs

A CFD is a sophisticated over-the-counter financial product which allows you to make a profit or loss from changes in the market price (or level) of the Underlying Instrument, without actually owning the full value of the Underlying Instrument or having any direct interest in the Underlying Instrument.

In simple terms, the amount of any profit or loss made on the contract will be equal to the difference between the price of the contract with reference to the Underlying Instrument when the contract is opened and the price of the contract with reference to an Underlying Instrument when the contract is closed, multiplied by the number of CFDs held.

The calculation of profit or loss is also affected by other payments, including payments relating to Finance Charges and any other charges (for more information, see Section 5).

The value can also be affected by fluctuations in foreign exchange if you make a Transaction denominated in a currency different from the denomination of your Account currency.

You can take both "long" and "short" positions. If you take a long position, you profit from a rise in the Underlying Instrument, and you lose if the price of the Underlying Instrument falls. Conversely, if you take a short position, you profit from a fall in the price of the Underlying Instrument and lose if the underlying price rises.

Dealing in CFDs does not give you any beneficial interest in the Underlying Instrument nor any right to acquire the Underlying Instrument itself. This is different from direct trading in the Underlying Instrument where you acquire a beneficial interest in the actual financial product.

As the holder of a CFD, you do not have a beneficial interest in the Underlying Instrument and you have none of the rights of an investor who holds the financial product itself.

Unlike direct investments made by trading on an Exchange, the CFDs are not standardised. The terms of the CFDs are based on the Financial Product Terms with eToro Australia, which apply to your Account and your Transactions.

2.7 Types of CFDs

2.7.1 eToro Index CFDs

eToro Index CFDs derive their price or value from the real time changes in the value of an Underlying Index as calculated by the relevant Exchange or eToro Australia valuation of that Underlying Index.

eToro Index CFDs can only be traded during the open market hours of the relevant Exchange on which the Underlying Index is determined (or within any more limited hours set from time to time by eToro Australia). The available hours may be viewed on our website.

eToro Index CFDs allow you to deal in anticipated market trends rather than individual shares.

eToro Index CFDs are valued based on the number of units per index point of the Underlying Index. For example, if the Underlying Index is 4600 then trading 10 eToro Index CFDs for that Underlying Index would mean the face value of the trade was \$46,000.

The maximum leverage for CFDs on major indices is 20:1 and for minor indices is 10:1.

2.7.2 eToro Commodity CFDs

eToro Commodity CFDs' Underlying Instrument is the value or price of a Commodity Transaction. eToro Commodity CFDs may be denominated in any of the available currencies.

eToro Commodity CFDs are an easy way to gain access indirectly to commodity markets and underlying commodities such as copper, wheat, sugar and oil.

eToro Commodity CFDs can only be traded during the open market hours of the relevant Exchange on which the Commodity Transaction is able to be traded (or within any more limited hours set from time to time by eToro Australia). The available hours may be viewed on our website.

The maximum leverage for gold is 20:1 and for other commodities the maximum leverage is 10:1.

2.7.3 eToro Share CFDs

eToro Share CFDs allow you to gain exposure to movements in the price of the Underlying Instrument that you would obtain directly from owning the share/equity itself.

eToro Share CFDs can only be traded during the open market hours of the relevant Exchange on which the Underlying Instrument is traded (or within any more limited hours set from time to time by eToro Australia). The available hours may be viewed on our website.

The maximum leverage for share CFDs is 5:1.

2.7.4 eToro ETF CFDs

eToro ETF CFDs allow you to gain exposure to movements in the price of the Underlying Instrument, an ETF. An Exchange Traded Fund is a marketable Instrument that tracks an index, commodity, bonds or a basket of assets.

eToro ETF CFDs can only be traded during the open market hours of the relevant Exchange on which the Underlying Instrument is traded (or within any more limited hours set from time to time by eToro Australia). The available hours may be viewed on our website.

The maximum leverage for ETF CFDs is 5:1.

2.7.5 eToro Cryptocurrency CFDs

eToro Cryptocurrency CFDs allow you to gain exposure to price movements in cryptocurrencies. The prices of the Cryptocurrency CFDs which we quote are derived from the price feeds from cryptocurrency exchanges or cryptocurrency Hedge Counterparties that we deal with.

Cryptocurrency CFDs are opened in the same way as other CFDs. We will quote a Bid and Ask price for a cryptocurrency rate.

eToro Cryptocurrency CFDs have the same kind of inherent risks as other CFDs, especially those which are over Underlying Instruments which do not have established markets. These risks may be amplified by the volatility of the markets and the technological features of the cryptocurrency. Please see Section 4.1.

The maximum leverage for crypto CFDs is 1:1

2.7.6 eToro FX CFDs

eToro FX CFDs are leveraged products which derive their prices from the real time changes in the market price and exchange rates of foreign currencies.

Prices are only quoted for eToro FX CFDs and can only be traded during the open market hours during which the foreign currency is traded.

Open hours of the market are available by viewing our website. eToro Australia might not quote for a contract on a particular foreign currency if that foreign currency is illiquid (for more information on the effect of potential external disruptions, see Section 4).

eToro FX CFDs allow you to receive many of the economic benefits of owning the full value of the foreign exchange contract on which the eToro FX CFD is based without physically owning it (for more information on key benefits of trading in eToro FX CFDs see Section 2.2). This includes CFDs in the spot price for gold or silver which are the Underlying Instruments.

eToro FX CFDs are valued based on the price of the relevant foreign currency pair. For example, in the case of eToro FX CFDs, if you bought 10,000 of one currency against another and

the price of the foreign currency pair was quoted as 10.40/10.60 then the eToro FX CFD would have a value of \$106,000 (being $10.60 \times 10,000$).

For more information on which eToro FX CFDs are available, please download a demonstration-trading platform located on the website at www.etoro.com.

The maximum leverage for major currency pairs is 30:1 and for minor currency pairs is 20:1.

2.7 Benchmark Disclosure

ASIC has adopted benchmarks for over the counter derivatives that include eToro Australia CFDs.

The benchmarks are not mandatory and are not law. ASIC has introduced them by way of stating, in Regulatory Guide 227 (**RG 227**), ASIC's expectations. Not meeting the benchmarks is not an indication of breaches or failures. Rather, the benchmarks in RG 227 also require prominent disclosure in a PDS as to whether an issuer meets the benchmarks or, if not, the reasons why they are not met are explained in the PDS.

The following table summarises the benchmarks as eToro Australia applies them to our OTC CFDs, and whether eToro Australia meets them and, if not, why not.

The table also refers you to other Sections of this PDS for more information on relevant topics (to avoid duplicating the information in this PDS).

ASIC RG 227 Benchmark	eToro
<p>1. Client qualification</p> <p>If an issuer meets this benchmark, the PDS should clearly explain:</p> <ul style="list-style-type: none"> that trading in CFDs [or other applicable products] is not suitable for all investors because of the significant risks involved; and how the issuer's client qualification policy operates in practice. 	<p>eToro Australia believes that it meets this benchmark. An explanation of eToro Australia client qualification policy is described in Section 2.4 – "Your Suitability".</p>
<p>2. Opening collateral</p> <p>If an issuer meets this benchmark, the PDS should explain the types of assets the issuer will accept as opening collateral.</p> <p>If an issuer accepts non-cash assets as opening collateral (other than credit cards to a limit of \$1000), the PDS should explain why the issuer does so and the additional risks that using other types of assets (e.g. securities and real property) as opening collateral may pose for the investor. This includes, for example, the risks of 'double leverage' if leveraged assets are accepted as opening collateral.</p>	<p>eToro Australia does not meet this benchmark because it accepts as collateral for opening an Account, payments by credit card of more than \$1,000 as well as payments via BPay® and bank transfer and does not place limits on credit card payments.</p> <p>The additional risks and costs of paying by credit card are described in Section 6.6 "Applications".</p> <p>eToro Australia otherwise meets this benchmark.</p>
<p>3. Counterparty risk – Hedging</p> <p>If an issuer meets this benchmark, the PDS should provide the following explanations:</p> <ul style="list-style-type: none"> a broad overview of the nature of hedging activity the issuer undertakes to mitigate its 	<p>eToro Australia meets this benchmark:</p> <ul style="list-style-type: none"> eToro Australia discloses in its PDS its hedging activity and risk mitigation (see Section 3.22). This PDS complies with the requirements to include information about the significant risks associated with the CFDs (see Section

<p>market risk, and the factors the issuer takes into account when selecting hedging counterparties; and</p> <ul style="list-style-type: none"> • details about where investors can find the issuer's more detailed policy on the activities it undertakes to mitigate its counterparty and market risk, and the names of any hedging counterparties. 	<p>4) and provides an explanation of the counterparty risk associated with CFDs (see Sections 3.21 to 3.24).</p> <ul style="list-style-type: none"> • This PDS explains that, if eToro Australia defaults on its obligations, investors may become unsecured creditors in an administration or liquidation.
<p>4. Counterparty risk— Financial resources</p> <p>If an issuer meets this benchmark, the PDS should explain how the issuer's policy operates in practice. An issuer should also make available to prospective investors a copy of its latest audited annual financial statement, either online or as an attachment to the PDS.</p>	<p>eToro Australia has in place a written policy outlining how we comply with our financial obligations and we ensure that we have sufficient financial resources to meet our liabilities. - see Sections 3.21 and 3.23.</p> <p>eToro Australia would meet this benchmark except that eToro Australia makes available copies of its latest audited annual financial statement only by inspection at the office of eToro Australia.</p>
<p>5. Client money</p> <p>If an issuer meets this benchmark, the PDS should clearly:</p> <ul style="list-style-type: none"> • describe the issuer's client money policy, including how the issuer deals with client money and when, and on what basis, it makes withdrawals from client money; and • explain the counterparty risk associated with the use of client money for derivatives. 	<p>eToro Australia meets this benchmark.</p> <p>See sections 3.11, 3.12, and the risks described in section 4.</p> <p>eToro Australia does not use client money paid into the eToro Australia client monies trust account for margining, guaranteeing, securing, transferring or for its hedging purposes. Rather, eToro Australia uses funds from its own operating account for these purposes.</p>
<p>6. Suspended or halted underlying assets</p> <p>If an issuer meets the benchmark, the PDS should explain the issuer's approach to trading when underlying assets are suspended or halted.</p>	<p>eToro Australia meets this benchmark.</p> <p>eToro Australia's approach to trading when underlying assets are suspended or halted is described in Section 3.3 "Dealing".</p> <p>eToro Australia's discretions and how it manages its positions are described in Section 6.2 under "Discretions".</p>
<p>7. Margin calls</p> <p>If an issuer meets this benchmark, the PDS should explain the issuer's policy and margin call practices.</p>	<p>eToro Australia has a clear policy in relation to Margin and our rights to Close Out positions.</p> <p>eToro Australia's margin practice is an automated process via the eToro Trading Platform by which the platform automatically posts warnings to the Account if you do not maintain the Margin Cover levels.</p> <p>Nevertheless, the Financial Product Terms clearly require the Client to maintain the minimum Margin Cover at all times. A Client must meet the Margin Cover whether or not the Client has received the warnings on the eToro Trading Platform (or notices from us).</p> <p>eToro Australia describes its margin policy in Section 3.15 but also Sections 3.13 and 3.14 and the risks associated at Section 4.</p>

Section 3 – How to Trade

3.1 Your Account

Before you open an account with eToro, you should read the contents of this PDS, the Financial Product Terms and the FSG and decide whether CFD trading is suitable for you.

You need to establish your Account by completing eToro Australia's Account application form, which will be made available for you online. By opening an Account, you agree to the Financial Product Terms and you will become a Client of eToro Australia. After eToro Australia accepts your application, your Account will be established. We may reject your Account application at our discretion.

Your Account covers all of the services and products which you apply for in your application form and which are accepted by eToro Australia. We will also ask you questions that will help us assess your suitability to trade CFDs (as outlined in section 2.4 of this PDS). If we decide that you do not have the relevant experience, we may recommend that you open a demo account prior to opening a live Account.

The legal terms governing your Account and your dealing in the CFDs are set out in the Financial Product Terms. The Financial Product Terms also have the legal terms for your dealings with us for other financial products that are not covered by this PDS.

3.2 Opening a CFD

The particular terms of each CFD are agreed between you and eToro Australia before entering into a Transaction.

Before you enter into a CFD, eToro Australia will require you to have sufficient Account Value (see the Glossary in Section 7) to satisfy the Initial Margin requirements for the relevant number of CFDs. The payments you make to eToro Australia are either held as Margin (as defined in the Financial Product Terms) or are later withdrawn to pay the amounts for Realised/Unrealised Losses or any fees and charges that you may owe.

When you Close Out an Open Position, you are entering into a new contract for a position of the same type and number of contracts opposite to your Open Position. You are liable for the costs, fees and charges as described in this PDS (see Section 5). You should be aware that your investment might suffer a loss, depending on the value of your contract at termination compared with the total cost of your investment up to the time of termination.

A CFD is opened by buying a contract, corresponding with either buying (going long) or selling (going short) the Underlying Instrument. You go "long" when you buy a CFD corresponding with buying the Underlying Instrument in the expectation that the price of the Underlying Instrument to which the CFD relates will increase.

You go "short" when you transact in a CFD contract corresponding with selling the Underlying Security in the expectation that the price of the Underlying Instrument to which the CFD relates will decrease.

3.3 Dealing

Quotes for prices for dealing in our products are indicative only and so are subject to the actual available price at the time of execution of your Order. While eToro Australia endeavours to execute your Order to the best of its ability, there is no

assurance that the Order will be able to be executed at the price of your Order.

Quotes will be given and Transactions made during the open market hours of the relevant market on which the Underlying Instruments are traded. The open hours of the relevant Exchanges are available by viewing our website. Such hours may change according to the relevant Exchange's changes or at our discretion.

eToro Australia may at any time in its discretion, without prior notice, impose limits on our CFDs in respect of particular Underlying Instruments. eToro Australia might do this if for example (but not only) the market for the particular Underlying Instrument has become illiquid or its trading status has been suspended or there is or will be some significant disruption to the markets, including trading facilities.

You should be aware that the market prices and other market data that you view through eToro Trading Platform or other facilities that you arrange yourself may not be current or may not exactly correspond with the prices for the products offered by eToro Australia.

If you access your Account and the eToro Trading Platform outside of the hours when Orders may be accepted, you should be aware that the Orders might be processed later when the Underlying Instrument is open for trading. The market prices (and currency exchange values) might have changed significantly by the time the Order is executed.

3.4 Pricing - Bid/Ask spread

eToro Australia quotes a lower price and a higher price at which you can place your Order. This is referred to as the Bid/Ask spread. The higher quoted price is the indication of the price you can buy the CFD. The lower quoted price is the indication of the price at which you can "sell" the CFD (that is, Close Out an Open Position for the CFD).

A simplified example of our normal spread is calculated as follows:

AUD/USD: 0.7379/0.7383

Spread = (Bid price – Ask price): (0.7379-0.7383) = 4 pips

Cost = (quantity x Spread): (1,000 x 0.0004) = USD 40 cents

eToro Australia's Bid/Ask prices are set by eToro Australia and so these prices may not be the same as those quoted in the relevant underlying market. Please be aware that eToro Australia does not act as your agent to find you the best prices.

When your Order is executed, for you to break even or before you can realise a profit, putting aside for the sake of simple illustration any fees or charges, the price at which you exit your position needs to have moved in your favour to at least equal to the original Bid or Ask price that you started the position (depending on whether you went long or short).

In addition, the available pricing may be limited by tick sizes, minimum steps, depending on the general market rules for trading the Underlying Instrument or eToro Australia's hedging, so, depending on the product you choose, your Order to exit your position might have to be in minimum increments of pricing before it can be accepted and executed. That could affect your net profit or loss.

3.5 Pricing model

eToro Australia offers prices based on its market making pricing model.

eToro Australia does not draw on and use client monies paid into the eToro Australia client monies trust account for hedging with its Hedge Counterparty. eToro Australia uses funds from its operating account for this purpose.

Generally, although the prices of CFDs on the eToro Trading Platform are competitive, you should be aware that eToro Australia is acting as principal to you and so is responsible for setting the prices of opening and closing CFDs and eToro Australia does not act as your agent to find you the best prices.

3.6 Electronic Trading Platform

Your Account gives you access to the eToro Trading Platform. This was arranged by eToro Australia from its affiliate. Please note that all of your dealings with eToro CFDs are only with eToro Australia as principal in the transaction with you.

We do not accept telephone or other voice Orders.

All of the CFDs issued pursuant to this PDS will use the eToro Trading Platform.

We will try to use our best efforts to make the Trading Platform available when you access them; however, we cannot give an absolute assurance or guarantee that the Trading Platform will be available on a continuous basis due to systems maintenance, system failures and other related technological or external factors.

You must carefully read and follow the operational rules for the Trading Platform. The Trading Platform from time to time may impose special operating rules including but not limited to:

- posting Margin (such as when payment is required and when the payment is effective);
- how Margins are calculated (such as automatic adjustments outside of trading hours, including at the weekend); and
- how Orders are managed.

We strongly recommend that prior to engaging in live trading, you open a "demo" account and conduct simulated trading. This enables you to become familiar with the Trading Platform.

There is also online help available on the Trading Platform, which has information relating to the operation of the Trading Platform.

3.7 Confirmations of Transactions

If you transact in our CFDs, the confirmation of the Transaction, as required by the Corporations Act, may be obtained only by accessing the daily statement online, which you can print for your records. It is your obligation to review the confirmation of Transactions immediately to ensure its accuracy and to report any discrepancies within 24 hours.

3.8 Distributions and Corporate Actions

eToro Australia has a discretion to adjust your Account in respect of a dividend, takeovers and Transformations (including events such as share consolidations/splits, acquisitions, mergers, takeovers, spinoffs, MBOs, de-listings, etc.) attributable to any Underlying Instrument, or a security which is in an index used as the Underlying Instrument. We are not obliged to make any adjustment at all or, if we do, any kind or degree of adjustment.

We will decide and calculate any adjustment (net of any taxes and the timing of the adjustment to your CFDs). If we make an adjustment, we will while we always retain an absolute discretion, we may have regard as we think appropriate to have regard to market practice and take into account the treatment we receive from our Hedge Counterparties or any relevant third party.

eToro Australia may elect to close a position (without prior notice to you) if an adjustment event occurs and it determines that it is not reasonably practicable to make an adjustment. eToro Australia may also elect to close an eToro Australia CFD if the eToro Australia CFD's Underlying Instruments are the subject of a take-over offer, scheme of arrangement or other mechanism for change in control, prior to the closing date of the offer.

If the CFDs relate to an index, and a share (which is a constituent of the index) goes ex-dividend, then typically an adjustment will be made automatically to the index level (by the index provider) to reflect this dividend.

eToro Australia has discretion whether to make an adjustment at all and, if it does, for an amount for the dividend (whether for a weighted proportion of the dividend or otherwise), being an amount to be credited to your Account in respect of your long positions and debited from short positions. Whether the adjustment is at all or its amount and timing remains in the discretion of eToro Australia.

Any adjustment will be uniformly applied across all relevant positions at the time. Please contact eToro Australia if you have any queries on whether the adjustment will be made to a particular CFD.

You may not direct eToro Australia how to act on a corporate action (including a dividend) or other shareholder benefit.

eToro Australia may elect to close a position (without prior notice to you) if an adjustment event occurs and it determines that it is not reasonably practicable to make an adjustment. eToro Australia may also elect to close an eToro Australia CFD if the eToro Australia CFD's Underlying Instruments are the subject of a take-over offer, scheme of arrangement or other mechanism for change in control, prior to the closing date of the offer.

eToro Australia CFDs do not entitle you to direct eToro Australia on how to exercise any voting rights in connection with the eToro Australia CFD's Underlying Instrument.

Clients should be aware that some Exchanges purge orders in securities that undergo corporate actions. You should seek confirmation from eToro Australia of any action for specific corporate actions that might affect your eToro Australia CFDs.

3.9 Suspensions and de-listings

If an Underlying Instrument to which a CFD Transaction relates is suspended or has halted trading for whatever reason, we may suspend trading in the CFD and we may increase the amount of Margin required to support that Open Position in our reasonable discretion. If the Open Position remains suspended for a time that we think is unacceptable to us in our sole discretion, we may Close Out the Open Position at the Closing Price.

If an Underlying Instrument to which a CFD Transaction has been delisted, we may Close Out all affected Open Positions at the Closing Price in our discretion.

3.10 No Shareholder Benefits

As a holder of a CFD, if the CFD's Underlying Instrument is a share or other voting security, you do not have rights to vote, attend meetings or receive the issuer's reports, nor can you direct eToro Australia to act on those rights. Other benefits such as participation in shareholder purchase plans or discounts are also unavailable.

3.11 Payments and Client Moneys

Here is an explanation of payments you make for our CFDs.

A. Establishing a Position

Before you transfer any money to eToro, you should carefully consider how your money will be held and used and the risks to you of paying money to eToro Australia.

Please see the entire description that follows.

Steps:

Step 1

You (as our Client) pay money into the eToro Australia client monies trust account for Margin. You would need to do this to fund your Account before trading if there is not enough Margin Cover.

Step 2

CFDs are issued to you when your Orders are accepted and executed.

No money is withdrawn from the eToro Australia client monies trust account just for you to open your contract.

Step 3

After you have paid money as Margin and established your position, eToro Australia will keep the moneys which you have paid into the eToro Australia client monies trust account in there until it needs to be paid for fees, charges and costs or if there has been a Realised Loss on your Account at which point eToro Australia withdraws funds to pay itself since these are moneys to which eToro Australia is entitled (by reason of the terms of your Account). Whether or not there is a Realised/Unrealised Loss on your Account is determined when eToro Australia revalues your Account.

Step 4

Money will be paid by eToro Australia to the eToro Australia client monies trust account for your benefit. This occurs when the revaluation of your Account by eToro Australia shows a Realised Profit.

Further explanation of Client moneys when establishing a position

The above steps give a very brief outline. The following gives further explanation.

eToro Australia client monies trust account

Moneys paid by you to eToro Australia for the CFDs are initially deposited into a trust account maintained by eToro, which is referred to in this PDS as the "eToro Australia client monies trust account". You make your deposit by using BPay®, electronic or telegraphic transfer, by cheque, credit card or other means approved by us.

eToro Australia only permits clients to trade on cleared funds. eToro Australia recommends that when credit cards are used as an account funding method that no more than \$1,000 is used as an initial payment; however, we do not enforce this policy since we believe that the capping of a one-off payment is not likely to act as a protective measure. We do however

reiterate that when dealing in CFDs you may incur a loss which is far greater than the amount that you have paid and advise that you not only take this into account when you are using a credit card to make the first ever deposit into your Account, but also for all subsequent deposits.

The moneys paid by you into the eToro Australia client moneys trust account is held for you (until they are withdrawn, at which point they become moneys belonging to eToro) and are segregated from eToro Australia's own funds. This means those funds are not available to pay general creditors in the event of receivership or liquidation of eToro (unless a court orders differently).

You should be aware that, generally, for trust accounts such as the eToro Australia client moneys trust account:

- Individual Clients do not have separate or segregated accounts.
- All Clients' moneys are combined into one account.
- Moneys and other assets in the trust account that belong to non-defaulting Clients are potentially at risk of being withdrawn and not being re-paid to the Client even though they did not cause the default.

eToro Australia is entitled to retain all interest earned on the money held in the eToro Australia client moneys trust account.

3.12 Client Money Rules

eToro Australia will deal with client moneys in accordance with the Client Money Rules. In short, in relation to withdrawals from the eToro Australia client money trust account, the Client Money Rules:

1. limit (or in many cases, prohibit) a financial services licensee's (including eToro Australia's) entitlement to withdraw client moneys from its client money trust account:
 - for the licensee's use for working capital;
 - for the licensee meeting obligations incurred by it other than on behalf of the client; and
 - for the purpose of the licensee entering into, or meeting obligations under, transactions that the licensee enters into to hedge, counteract or offset the risk to the licensee associated with a transaction between the licensee and the client; and
2. impose record-keeping, reconciliation and reporting obligations on licensees that hold "derivative retail client money".

eToro Australia does not use client moneys paid into the eToro Australia client moneys trust account for margining, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives. Instead, eToro Australia uses funds from its own operating account for this purpose.

In practical terms, when you make a payment which is deposited into the eToro Australia client moneys trust account, you are making payments held as Margin for your CFDs which may be withdrawn to be paid entirely to eToro Australia for any Realised Loss or for fees, charges and costs which you owe to us.

3.13 Margin payments

You must pay the Initial Margin before the CFD is issued to you. You must then maintain the minimum amount of Margin

Cover required by us. Separately, you must pay any Variation Margin when we require.

To pay Margin you must first deposit the funds into the eToro Australia client money trust account. Your payment is only effective when we receive your cleared funds and we credit your Account to reflect the Margin payment.

Here are the key features of Margining that are explained further in this section:

- You are liable to meet all calls for Margin for your Account.
- When you have CFDs, you are also liable to meet all Margin calls for additional payments to eToro Australia.
- This Margin call obligation is **in addition to your obligation to maintain the minimum required Margin Cover** for your Account.
- There is no limit as to when you need to meet your Margin calls, how often or the amount of the Margin calls.
- The timing and amount of each Margin call will depend on movements in the market price of the open positions, the movements in the market price of the Non-margin product, if used as Margin and the changes to your account value.
- You have an obligation to meet the Margin call even if eToro Australia cannot successfully contact you.
- You have a risk of your CFDs being immediately Closed Out if you do not meet the requirement to meet a Margin call.
- When you have CFDs, **you are obliged to always maintain the minimum Margin Cover for all of your CFDs.**
- **It is your obligation to monitor the minimum amount of Margin Cover** required for your Account.
- It is your obligation to always maintain the minimum Margin Cover as long as you have Open Positions.
- We are not obliged to notify you about your obligation, though we may do so by email, telephone call or otherwise, as a courtesy.
- You have a risk of all your CFDs being Closed Out if you do not have sufficient Account Value, regardless of whether you have checked your Account's requirement for minimum Margin Cover or whether you have tried to make a payment but it has not been credited to your Account.

3.14 Margin Requirement obligation

- You must maintain Margin Cover that meets the Margin Requirement for your Account.
- There is no grace period as to when you need to meet Margin Requirement obligations. There is no limit on how often the Margin Requirement may change. eToro Australia's Margin practice is an automated process by which the eToro Trading Platform sends warnings to your Account online at different Margin Requirement levels. The Margin Closeout levels are stated on our website.
- The timing and amount of your Margin Requirement obligations for your Account will depend on movements in the market price of the Underlying Instrument and the changes to the Account Value.

- You have an obligation to meet the Margin Requirement even if eToro Australia (by the eToro Trading Platform or otherwise) cannot successfully or does not contact you. You must not rely on receiving any warning from us or you not accessing your Account.
- You have a risk of some or all your CFDs being Closed Out if you do not meet the obligation to meet the Margin Requirement.
- It is your obligation to monitor the Margin Requirement and the Margin Cover for your Account.
- It is your obligation to maintain the minimum Margin Cover always for so long as you have an Open Position in a CFD.
- You have a risk of your CFDs (and all other products held in your Account) being Closed Out if you do not have in your Account sufficient Margin Cover credited to it, regardless of whether you have checked your Account's Margin Requirement or whether you have tried to make a payment but it has not been credited to your Account.

3.15 Margin policy

eToro Australia applies the following main Margin principles:

- Each Client is required to have Margin Cover for the amount known as "Initial Margin" before issuance of a CFD.
- The Initial Margin is determined by eToro Australia based on a number of factors, including the Leverage Ratio applied to an eToro Australia CFD, Margin required to hedge the underlying market, any margin which eToro Australia is required to pay its Hedge Counterparty (if applicable), eToro Australia's risk assessment of the Client, and any Realised/Unrealised Loss.
- The Initial Margin could be available either by the Client paying funds (as Margin) into the eToro Australia client money trust account or because there is already sufficient Margin held in that account. If there is not sufficient Margin Cover (including all available Margin) for the CFD to be opened (due to its Initial Margin requirement) then the position will not be executed.
- If the CFD is opened, the Client's Account is adjusted at any time, often continuously and quickly, for its Margin Requirement according to market movement so that no Client is intentionally materially benefited from other Clients' trading. This unintended benefit could occur if, for example, the Client's Margin requirements are not adjusted in line with market changes or the credit risk on the Client.

How is Margin Cover calculated?

eToro Australia sets the amount of the Initial Margin, calculates the Margin Cover and sets the Margin Requirement.

The Initial Margin set by eToro Australia can be dependent on the Leverage Ratio, the type of contract selected by the Client and calculated as a percentage of the full-face value of the CFDs.

Ordinarily the Initial Margin requirements are calculated to cover the maximum expected movement in the market in the near future but the ongoing Margin Requirement will change when the market changes and so might not be sufficient in all circumstances.

Owing to the volatility of the market, the amount of Margin Requirement to maintain your Open Positions may change at any time after a position has been opened due to market changes, changes made to your Account by eToro Australia (as permitted by the Financial Product Terms) or due to eToro Australia performing a revaluation for any Realised/Unrealised Loss or Realised/Unrealised Profit on your Account. If you have CFDs denominated in a currency other than the base currency of your Account, any fluctuations in the exchange rate adverse to your CFD position can lead to automatic adjustments to your required Margin Cover, so you need to monitor these CFD positions very carefully.

You should be aware that you can reach the stage of not having enough Margin Cover to meet the Margin Requirement because changes in valuation of your CFDs are automatic, reflecting the rapid changes in the market values.

The Margin Requirement is linked to the Margin Closeout level as the example below explains.

To satisfy the Margin Requirements, you may:

- Close Out existing positions to reduce your Margin Requirements; or
- pay additional funds as Margin for your Account; or
- a combination of the above.

If the actions taken are not sufficient to maintain the Margin Cover to meet the Margin Requirement, then you risk some or all your positions being automatically Closed Out. This will happen when the total equity in your account falls below 50% of the margin required for all open CFD positions.

Under the Financial Product Terms, your obligations arise from the time you have an Open Position. If the market moves so as to increase the Margin Requirements, or eToro Australia increases the Margin Requirement, you immediately owe the increased amount of the Margin Cover, regardless of if or when we contact you to pay more Margin. Your obligation to maintain the Margin Cover to meet the Margin Requirement remains at all times, whether or not we contact you and whether or not you log into your Account.

You will be required to provide the required Margin Cover whether or not you receive a Margin call. In other words, you are responsible for monitoring your positions and providing the required level of Margin Cover. You might receive notice about Margin Cover requirements by email, SMS messages or, when you access your Account via the eToro Trading Platform, by messages on your screen, but you need to provide the Margin Cover whether or not you get that notice from us (including through the eToro Trading Platform).

The values of your CFD positions are ordinarily marked to market on a continuous basis, which automatically leads to corresponding changes in Margin Cover requirements for your Account. At weekends or at other times when trading on the Exchange relevant to the Underlying Instrument is closed, some Margin Cover requirements automatically increase. You should note that if the underlying market is not trading then the value might not change until the market re-opens and there might be a gap in prices/values at the time of re-opening.

Your Margin defaults

If you do not ensure that you maintain the level of Margin Cover to meet the Margin Requirement, some or all of your Open Positions may be Closed Out and the resulting Realised Loss deducted from any proceeds. Any losses resulting from Closing Out your Open Positions will be debited to your Account and you may be required to provide additional funds

to eToro Australia to cover any shortfall. If you do not comply with your obligations, all of your Open Positions can be Closed Out automatically.

It is your responsibility to pay your Margin on time and in cleared funds, so please keep in mind the possibility of delays in the banking and payments systems. If your payment is not credited by eToro Australia by the time you are required to have the necessary Margin Cover, you could automatically, and quickly, lose some or all your positions (and suffer further losses because of having to meet a shortfall). You should maintain a prudent level of Margin Cover and make payments in sufficient time to be credited to your Account. Please see "Margin risks" in Section 4.

As at the date of this PDS, Accounts can be funded by credit card, electronic funds transfer and other methods permitted from time to time. Our available payment methods can be found on our website.

3.16 Valuation

During the term of our CFDs, eToro Australia will determine the value of your entire Account, based on the value of the CFDs and all other Open Positions in your Account. The values of your CFD positions may be adjusted to reflect the positions being marked to market when the market or Exchange for the relevant Underlying Instrument is open.

3.17 Order Types

Different types of Orders are available on the eToro Trading Platform when you log in. The following are examples of Order types that may be available to you.

Important notice about this section

When you request one of the types of Orders described in this section, we have discretion whether or not to accept and execute any such request. We will, at our discretion, accept or reject any Orders.

The price at which we accept an Order to trade will generally be based on filling the full volume of the Order in one Transaction if possible.

The type of Orders and how they may be filled, if at all, might depend on the rules of the Exchange where the Underlying Instruments are being traded or our compliance and operational filters and configurations. For some CFDs which you choose to deal in, there may be a minimum trade value or other restrictions (e.g., pricing) that relate to a particular market.

References to Orders being filled immediately or positions being Closed Out immediately or automatically refer to processing of Transactions as soon as practical in the ordinary course of electronic processing, and subject to compliance and operational filters. The speed of electronic processing can depend on a number of technical factors, including any transaction filters required for our compliance.

Limit Order

Limit orders are commonly used to enter a market and to take profit at predefined levels.

- Limit orders to **buy** are placed below the current market price and are executed when the Ask price hits or breaches the price level specified. If placed above the current market price, the order is filled immediately at the best available price below or at the limit price.
- Limit orders to **sell** are placed above the current market price and are executed when the Bid price hits or

breaches the price level specified. If placed below the current market price, the order is filled instantly at the best available price above or at the limit price.

When a limit order is triggered, it is filled as soon as possible at the price obtainable on the market. Note that the price at which your Order is filled may differ from the price you set for the order if the opening price of the market is better than your limit price.

Market Order

A Market Order is executed immediately when placed (subject to the usual filters and discretions held by eToro Australia). It is priced using the current spot, or market price, of the Underlying Instrument.

A Market Order, once executed, immediately becomes an Open Position, so is subject to fluctuations in the market. This means that should the market move against you, the value of your Open Position deteriorates – this is an Unrealised Loss. If you were to close the position at this time, you would realise the loss and after that, your Account Balance would be updated to include the revised values.

Take Profit Order

A Take Profit Order automatically closes an Open Position when the price reaches your specified Take Profit Order price. Take Profit Orders are used to lock-in profits when you are unavailable to monitor your Open Positions.

For example, if you are long USD/JPY at 109.62 and you want to take your profit when the rate reaches 110.00, you can set this rate as your Take Profit Order. If the Ask price reaches 110.00, the Open Position is closed by the eToro Trading Platform and your (gross trading) profit on that closed position is established. Your Transaction is closed at the current market rate. In a fast-moving market, there may be a gap between the current market rate and the rate you set as your Take Profit Order.

Stop Loss Orders

eToro Australia may, in its discretion, accept an Order from you to close a position if the price moves to or beyond a level specified by you. This is known as a “stop-loss order”.

You would generally choose to place a stop-loss order to provide some risk protection. Stop-loss orders are commonly used to exit positions and to protect investments if the market moves against an Open Position.

For example, if your Open Position moves towards making a loss based on a level chosen by you, the stop-loss order would be triggered to try to close your Open Position.

Stop-loss orders to sell are placed below the current market level and your stop-loss order would be executed, i.e., triggered if our Bid price (for a stop-loss order that requires an Order to sell a contract) moves against you to a point that is at or lower than the level specified by you (and accepted by us).

Conversely, stop-loss orders to buy are placed above the current market level and your stop-loss order would be executed, i.e., triggered if our offer price (for a stop-loss order that requires an Order to buy a contract) moves against you to a point that is at or above the level specified by you (and accepted by us).

All stop-loss orders are subject to agreement by us, so you cannot be assured that you will always be able to have a stop-loss order. While eToro Australia has absolute discretion whether to accept a stop-loss order, it will generally try to do

so, subject to market conditions, compliance and operational configuration and the reasonableness of your stop-loss order.

Your Order may be unreasonable if, for example, the level you have specified is too far away from the market price, the Underlying Instrument or trading in the Underlying Instrument has been halted or suspended on the market.

Even if we accept your stop-loss order, market conditions may move against you rapidly. It is possible that you may receive the best available price on the market, which is worse than the one you have requested from eToro Australia. A gap in market prices reflects the market for the CFDs, so can occur for any reason, without any apparent reason or at any time.

Order duration

Orders will remain in effect until either it has been cancelled by you or us; executed by us; or we no longer quote the CFD which your Order was placed over.

Typically, eToro Australia offers one main Order duration, “Good until cancelled”. This is an Order that you have placed that will remain in effect until it is cancelled by you (or us).

General

We may cancel, modify, suspend or discontinue, temporarily or permanently, at any time in our sole discretion any existing type of Order or the ability to place any Orders (or both) including without limitation limit orders such as stop loss, take profit, buy limit and sell limit orders, either generally or with respect to a specific Underlying Instruments or with respect to a specific direction of a specific instrument.

3.18 Short eToro Australia CFDs

When dealing in short eToro Australia CFD positions, you are highly likely to be affected by the laws and Exchange rules in the country as they apply to short selling of the Underlying Instrument.

3.19 Market Conduct

Clients should be aware that some practices in placing Orders can constitute, or be involved in, market manipulation or creating a false market which is conduct prohibited under the Corporations Act or under other countries’ laws. eToro Australia has policies and procedures to manage attempts to use Orders and the eToro Trading Platform to engage in or be involved in, illegal or otherwise unacceptable market conduct.

It is the Client’s responsibility to be aware of unacceptable market practices and the legal implications. A Client may be liable for penalties to regulators such as ASIC or be liable to eToro Australia for costs to eToro Australia arising out of those trading practices of the Client, which lead to the Client, eToro Australia or any other person suffering loss or penalty.

3.20 Closing a position

Our CFDs do not have an expiry date (unless specified through the eToro Trading Platform). They remain open until they are Closed Out. With most CFDs, you can hold the position for as long as the eToro Trading Platform permits. This may be for less than a day, or for months.

If you wish to close an Open Position, you enter a new position that is equal and opposite to the Open Position. To close a ‘bought’ or ‘long’ position - you sell. To close a ‘short’ or ‘sold’ position - you buy.

At the time that the positions are closed, the eToro Trading Platform will calculate the remaining payment rights and obligations to reflect movements in the Contract Value since the previous business close (including any other

credits/debits). Because you enter a position to Close Out the existing position, there may be a fee on the position used to close the position – see Section 5.

To provide the CFDs to you in an efficient and low-cost manner, eToro Australia has discretion in determining closing prices. In general, without limiting eToro Australia's discretion, it should be expected that eToro Australia will act reasonably and have regard to a range of relevant factors at the time, the closing price of the Underlying Instrument for the position, any foreign currency exchange rates which are relevant due to the denomination of the position or Accounts and any suspension or halt in trading of the Underlying Instrument.

eToro Australia also has the right to decide to make an adjustment in any circumstance if eToro Australia considers an adjustment is appropriate. eToro Australia has a discretion to determine the extent of the adjustment to place the parties substantially in the same economic position they would have been in had the adjustment event not occurred.

eToro Australia may elect to close a position (without prior notice to you) if an adjustment event occurs and it determines that it is not reasonably practicable to make an adjustment.

Although there are no specific limits on eToro Australia's discretions, eToro Australia must comply with its obligations as a financial services licensee to act efficiently, honestly and fairly.

The amount of any gross profit or loss you make on a position will be based on the difference between the amount paid for the position when it is issued (including fees and charges) and the amount credited to your Account when the position is Closed Out (including allowance for any fees, costs and charges).

3.21 Counterparty Risk

When you deal in our CFDs, you have a counterparty risk with eToro Australia. Because you are dealing with eToro Australia as counterparty to every transaction, you will have an exposure to us in relation to each transaction if we are not ready, willing or able to meet our obligations, for example, if eToro Australia were to become insolvent.

You should satisfy yourself that eToro Australia is able to meet its obligation to you. You can assess eToro Australia's financial ability to meet its counterparty obligations by reviewing its financial statements.

You are reliant on eToro Australia's ability to meet its counterparty obligations to you to settle the relevant contract. eToro Australia limits this exposure by hedging its exposure to its clients by entering into opposite transactions as principal in the wholesale market in relation to its exposures with clients. eToro Australia is then exposed to counterparty risk with that hedging party.

Please note that eToro Australia does not use client moneys to hedge any of its positions with its Hedge Counterparty. Those positions are funded by eToro Australia's operating account. eToro Australia will withdraw your client moneys to pay amounts to which it is entitled, and pay moneys into the eToro client moneys trust account for your benefit, following revaluations of your Account (as explained in this PDS).

An account with eToro Australia is not insured or guaranteed by the Australian government or any other entity. Consequently, should we become insolvent there is no guarantee that your account will maintain its value (however, please refer to the section 3.12 Clients Money Rules for further clarification).

3.22 Risks from eToro Australia's Hedge Counterparties

eToro Australia operates a market-making model, which means it may at any time choose to hedge or not to hedge some or all of its positions and it may change that at any time (and without disclosing its hedging). Any of those hedge positions means that eToro Australia will have one or more Hedge Counterparties, each of which potentially owes a net amount to eToro Australia.

It is possible that eToro Australia's Hedge Counterparty may become insolvent or it is possible that other clients of that Hedge Counterparty may cause a default, which reduces the financial resources or capacity for that Hedge Counterparty to perform its obligations owed to eToro Australia under the hedge CFDs.

Since eToro Australia is liable to you as principal on the contract, eToro Australia could be exposed to the insolvency of its Hedge Counterparty or other defaults which affect the Hedge Counterparty.

The following information is applicable with respect to eToro Australia's the main affiliated Hedge Counterparty as at the date of this PDS. Please be aware that eToro Australia does not make any representation that it will hedge, or that it will hedge only with the following affiliated Hedge Counterparty.

Hedge Counterparty: eToro (Europe) Limited

Further information: eToro (Europe) Limited is a company incorporated in Cyprus (registered number HE200585). It is a regulated financial services company and investment firm.

It is regulated by the Cyprus Securities and Exchange Commission (licensee number CIF 109/10) and operates in accordance with Markets in Financial Instruments Directive (MiFID) of the European Union.

You should note that:

- eToro (Europe) Ltd has not been involved in the preparation of this PDS nor has authorised any statement made in this PDS relating to it.
- eToro (Europe) Ltd has no contractual or other legal relationship with you as holder of the CFDs. eToro (Europe) Ltd is not liable to you and you have no legal recourse against eToro (Europe) Ltd (because eToro Australia acts as principal to you and not as agent) nor can you require eToro Australia to act against eToro (Europe) Ltd.
- eToro Australia gives no assurance as to the solvency or performance of any Hedge Counterparty.
- The regulation of a Hedge Counterparty is no assurance of the credit quality of the Hedge Counterparty or of any regulated or voluntary scheme for meeting the claims of creditors of the Hedge Counterparty. For example, although a Hedge Counterparty may be regulated by Cyprus financial services law that gives no assurance that the Hedge Counterparty has good credit quality or it will perform its obligations to eToro Australia.
- The credit quality of the Hedge Counterparty can change quickly. eToro Australia may not be able to make assessments of the credit quality of its Hedge Counterparty at the time the changes occur which it can disclose. Reports by independent credit rating agencies may not be available because of their lack of consent or because they are not licensed to allow such reports to be cited in the PDS given to retail clients.

- eToro Australia may use other Hedge Counterparties and may do so without prior notice to you of that. For example, in times of exceptional market difficulties or communications technology problems, eToro Australia may decide it is prudent to hedge with other hedge counterparties other than with eToro (Europe) Ltd.
- If eToro Australia becomes aware that material information about the Hedge Counterparty changes or a significant matter later changes, eToro Australia will issue a supplementary product disclosure statement, or a new product disclosure statement. If the new information is not materially adverse to you, eToro Australia will provide the updated information on its website.

eToro Australia is not authorised to set out in this PDS any further information published by the Hedge Counterparty and eToro Australia takes no responsibility for third-party information about the Hedge Counterparty which may be available to you. If you require further information about the Hedge Counterparty used by eToro Australia before deciding whether to invest in the CFDs, please contact us so we can provide to you any further information of the Hedge Counterparty, which is publicly available.

3.23 Solvency of eToro

The risks you have by dealing with eToro Australia cannot be simplistically assessed by reference to historical financial information about eToro Australia or its Hedge Counterparty or general statements of principle.

The credit risk you have on eToro Australia depends on, whether it systematically manages all Client Accounts on the same basis, its solvency generally, as well as on the amount (and kind) of its capitalisation, its cash flow, all of its business risks, its Client and Instrument concentration risks, its counterparty risks for all of its business and transactions (not just the CFDs), its risk management systems and actual implementation of that risk management.

Your credit risk on eToro Australia will fluctuate throughout the day and from day to day, including due to the implied credit risk on its Hedge Counterparty, whose credit risk to eToro Australia (and so indirectly to you) cannot be assessed or verified on a continuous basis or perhaps at all.

You should consider all of those factors and not rely only on past financial statements since that could be materially incomplete information for your purposes, not current and therefore potentially misleading as a guide to the current solvency and creditworthiness of eToro Australia.

The eToro Australia annual directors' report and an audited annual financial report will be available for inspection free of charge on request by contacting eToro Australia for an appointment at its offices.

3.24 Payments to you in eToro Australia insolvency

If eToro Australia becomes insolvent, here is how you could be paid for any net credit balance in your Account:

- Any moneys in the eToro Australia client moneys trust account should be paid to you, after deduction for any amounts properly payable to eToro Australia for the CFDs or other financial products or which you have otherwise agreed are payable to eToro Australia (and subject to any court orders to the contrary).
- eToro Australia will owe you any remaining net amount after paying to you your moneys from the eToro Australia client moneys trust account.

- eToro Australia will need to assess the amounts prudently available to pay Clients from its own funds, and may choose to pay out interim amounts from any available funds.
- The precise amounts and timing of any further possible payments might not be known until the net position with its Hedge Counterparty is known and paid to eToro Australia.
- The position of the Hedge Counterparty depends on what it recovers from its Hedge Counterparty and what it owes its clients.
- eToro Australia will need to assess the amounts prudently available to pay CFD Clients, and may choose to pay out interim amounts.
- eToro Australia will need to assess fair and reasonable allocation to Clients, having regard to, for example any amounts paid from the eToro Australia client moneys trust account, Account balances and amounts recovered from its Hedge Counterparty.

3.25 Market Misconduct

Financial markets in Australia are heavily regulated by ASIC. Some trading practices are considered to be unacceptable and are prohibited by Australian law. It is your responsibility to be aware of any prohibited trading practices and to act in accordance with the law in your dealings with us. In addition to your legal obligations, we have certain rights against you as set out in our Financial Product Terms.

Section 4 – Significant Risks

Dealing in our financial products involves a number of significant risks. You should seek independent advice and consider carefully whether our products are appropriate for you given your experience, financial objectives, needs and circumstances.

4.1 Key Risks

You should consider these key risks involved in our offering:

KEY RISKS	IMPORTANT ISSUES
Loss from Leverage:	<p>You may choose to trade CFDs with leverage that can lead to large losses as well as large gains. The high degree of leverage offered in our products can work against you as well as for you. The leveraged nature of the eToro Australia CFDs gives a moderate to high risk of a loss larger than the amounts you pay eToro Australia as Margin. It can also cause volatile fluctuations in the Margin Requirements.</p> <p>You can minimise the risk of losses on positions by monitoring your Open Positions and Closing Out the positions before losses arise.</p>
Client moneys may be withdrawn to	<p>The money which you pay into the eToro Australia client moneys trust account may be withdrawn to pay eToro Australia moneys to which it is entitled. This includes amounts</p>

<p>pay eToro Australia:</p>	<p>for any Realised Losses as well as for any fees, charges and costs.</p> <p>Those moneys withdrawn to pay eToro Australia are eToro Australia's moneys (and are not held for you), reducing the amount of moneys held in the eToro Australia client money trust account held beneficially for you.</p>
<p>Margin risk:</p>	<p>You must be able to pay to eToro Australia the amount of required Margin as and when required, otherwise some or all your Transactions may be Closed Out without notice to you.</p> <p>Margin Requirements are highly likely to change continuously, in line with market movements in the Underlying Instrument.</p> <p>You should be aware that there is a high risk of Margin Requirements changing and at times, very rapidly. There is a moderate to high risk that if the market value of the Underlying Instrument moves rapidly against you, you will be required to pay more Margin without eToro Australia giving you notice of that.</p> <p>You can minimise your risk of losing your positions after failing to meet Margin Requirements by carefully selecting the type and amount of CFDs to suit your needs, having risk management tools in place (such as placing stop loss orders, limit orders or any other Order permitted by eToro), monitoring the positions, maintaining a prudent level of cash balance in your Account and providing sufficient Margin within the time required by eToro Australia. Please see Sections 3.13 to 3.15 for further information about Margin.</p>
<p>Foreign exchange risk:</p>	<p>Foreign currency conversions required for your Account (see section 6 for a further description) can expose you to foreign exchange risks between the time the Transaction is entered into and the time the relevant conversion of currencies occurs.</p> <p>Foreign exchange markets can change rapidly. This exposes you to potentially adverse changes in the value of your Account, which can be large (depending on foreign exchange rates) and volatile. This will directly affect the value of a position.</p>

<p>Counterparty risk on eToro Australia:</p>	<p>You have the risk that eToro Australia may not meet its obligations to you under the CFDs. The CFDs are not Exchange traded so you need to consider the credit and related risks you have on eToro Australia.</p> <p>eToro Australia believes that your counterparty risk on eToro Australia is low, especially due to its feature of paying moneys into the eToro Australia client moneys trust account if there is any Realised Profit on your Account and due to its Margin policy and risk management which it implements for the benefit of Clients.</p> <p>eToro Australia also believes that your counterparty risk is reduced by the additional feature of eToro Australia not using client moneys to hedge any of its positions with its Hedge Counterparty. Those positions are funded from eToro Australia's operating account.</p> <p>You can minimise your counterparty risk on eToro Australia by limiting the amount you pay eToro, dealing prudently and requesting payment to you of any surplus in your Account which is not required for prudent Margin Cover management; however, this approach may increase your Margin Cover risk, resulting in all of your positions being Closed Out. Please see Sections 3.21 to 3.24.</p>
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<p>Cryptocurrency CFD risks:</p>	<p>The prices available for cryptocurrencies fluctuate significantly on any given day and over time (so your eToro Cryptocurrency CFDs pricing will also fluctuate as significantly and as often).</p> <p>There is no regulated market for cryptocurrencies. This affects the pricing, liquidity, integrity of the markets and any exchange used for dealing in the cryptocurrencies which are the Underlying Instruments. Exchanges offering pricing for cryptocurrencies have little or no regulation or protections for users of them. Exchanges may be partly centralised, decentralised or some other combination of order book facilities. These factors affect the pricing, liquidity and cost of transactions in cryptocurrencies, which can correspondingly affect the pricing of eToro Cryptocurrency CFDs.</p> <p>Cryptocurrencies rely on a number of key factors which are not present in other Underlying Instruments, such as technology inherent in the software for the cryptocurrency, nodes and mining of cryptocurrencies. These are technical features which are outside the scope of this PDS so you should be familiar with the key features of cryptocurrencies before dealing in an CFDs in relation to them. None of these are regulated or backed by any government or voluntary institution, so there are additional risks inherent in cryptocurrencies, and their predictability is much more uncertain. Cryptocurrencies have experienced a range of issues, such as forking or delays in transactions, which can affect the pricing of eToro Cryptocurrency CFDs.</p> <p>It is possible that some cryptocurrencies may become worthless, leading to your eToro Cryptocurrency CFDs becoming worthless.</p> <p>Here is more information about those risks may arise due to the features of our CFDs. Please note that this PDS does not disclose all of the risks of cryptocurrencies.</p> <p>eToro Australia does not own or control the underlying software protocols which govern the operation of cryptocurrencies available as Underlying Instruments for eToro Cryptocurrency CFDs for trading in our platform. In general, the underlying protocols are open source and anyone can use, copy,</p>	<p>modify, and distribute them. There is no guarantee of their functionality, security, or availability. The underlying protocols are subject to sudden changes in operating rules (forks) and other events and transformations, and that such forks, transformations and other events may materially affect the value, function or even the name of the cryptocurrency. eToro Australia may, in its sole discretion, temporarily suspend access to CFDs with that cryptocurrency as the Underlying Instrument; decide not to support (or to cease supporting) the forked protocol entirely or the cryptocurrency resulting from such event; or to delay offering CFDs, which means you would not be able to Close Out any Open Positions. In our sole discretion we may decide (but for avoidance of any doubt we are not obliged to do so) to adjust your Account in respect of a fork or other event depending on the circumstances of each event attributable to any specific cryptocurrency. eToro assumes absolutely no responsibility whatsoever in respect of an unsupported branch of a forked protocol or the cryptocurrency resulting from such event.</p> <p>If at any time any of the cryptocurrencies that is an Underlying Instrument for your CFD is delisted or we no longer support the cryptocurrencies for any reason, then the applicable CFD may be immediately closed. If eToro is notified that a cryptocurrency which is the Underlying Instrument for your CFD which you hold in your Account is likely to be delisted or removed or cancelled from any of the exchanges (some of them or all) and eToro Australia believes that it (or its Hedge Counterparty) will not be able to trade in such cryptocurrencies, or if there is another significant disruption to a market for a cryptocurrency or the cryptocurrency itself is subject to a significant disruption, then eToro Australia may exercise its discretions to adjust the pricing or to terminate the eToro Cryptocurrency CFD. It will do so in accordance with its obligations and duties, acting reasonably for the market as a whole, without having to consider any particular client.</p> <p>Under certain market conditions, you may find it difficult or impossible to liquidate a CFD position. This can</p>
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	<p>occur, for example, when the market reaches a daily price fluctuation limit ("limit move"), if there is insufficient liquidity in the market.</p> <p>eToro Cryptocurrency CFDs should be seen like as an extremely high risk investment. You should never invest funds that you cannot afford to lose.</p> <p>Given the foregoing, cryptocurrencies are not appropriate for all investors. You should not deal in these CFDs unless you have the necessary knowledge and expertise, you understand these products' characteristics and your exposure to risk. You should also be satisfied that the product is suitable for you in light of your circumstances and financial position.</p> <p>The risk of loss in trading eToro Cryptocurrency CFDs can be substantial. You should, therefore, carefully consider whether such trading is suitable for you in light of your circumstances and financial resources. You should be aware that you may sustain a total loss of the funds in your Account. If the market moves against your position, you may be called upon by us to provide a substantial amount of additional Margin, on short notice, in order to maintain your position. If you do not provide the required funds within the time required by us, your position may be liquidated at a loss.</p> <p>eToro Australia currently allows trading in eToro Cryptocurrency CFDs over the weekend, though it may stop that at any time and from time to time. Given that cryptocurrency exchanges might operate over weekends, there can be a significant difference between Friday's close and Sunday's open prices of eToro Cryptocurrency CFDs. All such factors may result in you either not completing an Order on a specific trading day or completing an Order on a substantially less favourable price.</p> <p>You can manage these risks by only investing in eToro Cryptocurrency CFD if you are experienced in the cryptocurrency, you manage your exposure by limiting your exposure, placing appropriate orders and carefully and frequently monitoring your Open Positions.</p>
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	<p>Since your Margin Cover requirements for eToro Cryptocurrency CFDs may be large, and may be increased over the weekend, you can help to manage your risks by carefully considering the amount of Margin you have in your Account, the risks of all of your Open Positions and your capacity to trade or to provide more Margin Cover immediately, even outside of banking payment hours.</p>
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4.2 Other Significant Risks

You should consider these other significant risks involved in our products:

SIGNIFICANT RISKS	IMPORTANT ISSUES
Market risk:	<p>Financial markets can change rapidly; they are speculative and volatile. Prices of currencies depend on a number of factors including, but not limited to, commodity prices or central bank decisions, interest rates, demand and supply and actions of governments.</p> <p>Our products are highly speculative and volatile. There is a high risk that market prices may move such that the Contract Value of the position on closing can be significantly less than the amount you invested in them.</p> <p>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> <p>You can reduce your risk by understanding the market relevant to the CFDs, monitoring your positions carefully and closing your Open Positions before unacceptable losses arise.</p>

<p>Not a regulated market:</p>	<p>The financial products offered by eToro Australia are derivatives and are not covered by the rules for Exchange-traded CFDs. For example, trading on the ASX is governed by rules applicable to brokers and generally has the benefit of a guarantee system known as the National Guarantee Fund which provides protection from fraud or misconduct by brokers in connection with certain ASX trades. The ASX rules and the National Guarantee Fund do not apply to trading in our CFDs.</p> <p>Over-the-counter derivatives, such as the CFDs, by their nature may not at times be liquid investments in themselves. If you want to exit the position, you rely on eToro Australia's ability to Close Out at the time you wish, which might not match the liquidity or market price of the Underlying Instrument.</p> <p>You can reduce your risk by carefully reading this PDS, the Financial Product Terms and taking independent advice on the legal and financial aspects relevant to you.</p>
<p>Market disruptions:</p>	<p>A market disruption may lead to you being unable to deal in our financial products when you wish, and you may suffer a loss because of that. This is because the market disruption events which affect the Underlying Instrument will also affect the contract positions on the same or very similar basis.</p> <p>Examples of disruptions include the "crash" of a computer-based trading system, a fire or other Exchange emergency, or an Exchange or government regulatory body declaring an undesirable situation has developed in relation to series of CFDs or a trade, and suspends trading in those CFDs or currencies or cancels that trade.</p> <p>You can attempt to minimise the effect of market disruptions by obtaining information released by the market relevant to the position and acting after the event as appropriate (if any) to the position held, such as Closing Out because the values have significantly changed since before the event.</p>
<p>Orders and gapping:</p>	<p>It may become difficult or impossible for you to Close Out a position. This can happen, for example, when there is a significant change in the Contract Value over a short period.</p>

	<p>There is a moderate to high risk of this occurring.</p> <p>eToro Australia's ability to Close Out a position depends on the market for the Underlying Instrument. Stop Loss Orders (and other Order types) might not always be filled and, even if placed, might not limit your losses to the amount specified in the Order, since they are not guarantees that there will be no loss.</p> <p>You should consider placing Stop Loss Orders or other Orders that might limit your losses, if such Orders exists at the time you opened your position, but also closely monitor your Account and the relevant market in case the Stop Loss Order is not fully filled or not filled at all and you need to take further action to limit your losses. For further information, see the description on "Stop-Loss Orders" in Section 3.17.</p>
<p>Auto Liquidation:</p>	<p>eToro Australia may without prior notice to you liquidate some or all your Open Positions if the Account Value balance reaches or falls below the Margin Closeout level applicable to your Account. This can generate fees and realised losses in your Account.</p> <p>eToro Australia does not assure you that eToro Australia will act on this right, at any time or in respect of all or any of your Open Positions. You should not rely on this right to manage your risk and your obligation to maintain Margin Cover to meet your Account's Margin Requirement.</p> <p>The more basic risks to you are that you fail to manage your own Account by maintaining adequate Margin Requirement, you fail to monitor your Open Positions, you (wrongly) rely on eToro Australia liquidating your Open Positions or you fail to manage your Open Positions before the Account Value balance reaches or falls below the Margin Closeout level applicable to your Account.</p> <p>You can manage the risk of eToro Australia liquidating some or all your Open Positions, or the risk of you wrongly relying on eToro Australia to do this, by carefully monitoring your Open Positions, placing and maintaining prudent Orders (including Stop Loss Orders), if such exists at the time you opened your position and managing your Open Positions before the Account Value</p>

	balance reaches or falls below the Margin Closeout level applicable to your Account.
Cancelation for error:	<p>eToro Australia may void from the outset any Transaction containing or based on any manifest error or a price, or series of prices, which are subsequently determined to be unrepresentative of the actual market valuation of the Underlying Instrument. This is exercised in our discretion, so you have risk of a Transaction later being cancelled, whether or not you were aware that there was an error in the pricing which we later decide has occurred. In the absence of our fraud or wilful default, we will not be liable to you for any loss, cost, claim, demand or expense following any such cancelation.</p> <p>We consider this to be a low risk, since it does not occur often, but it can occur so you can manage your risk by monitoring the available prices and your Account.</p>
eToro Trading Platform:	<p>You are responsible for the way you access the eToro Trading Platform or your other contact with eToro Australia. If you are unable to access the eToro Trading Platform, you will be unable to trade in our CFDs (including Closing them Out) or you might not be aware of the current Margin Cover and Margin Requirement and so you may suffer loss (and liable to pay fees) as a result.</p> <p>eToro Australia may also suspend the operation of the eToro Trading Platform or any part of it, without prior notice to you. Although this is considered a low risk since it would usually only happen in unforeseen extreme situations, eToro Australia has discretion in determining when to do this. If the eToro Trading Platform is suspended, you might have difficulty contacting eToro, you might not be able to contact eToro Australia at all, or your Orders may not be able to be executed at prices quoted to you.</p> <p>There is a moderate to high risk that eToro Australia imposes volume limits on Client Accounts or limits or filters on dealing in particular CFDs, which could prevent or delay execution of your Orders, at your risk.</p> <p>You have no recourse against eToro Australia in relation to the availability or otherwise of the eToro Trading Platform, nor for</p>

	technological or software errors or limitations.
Market:	<p>The rules of the relevant market (if any) or Exchange govern the trading in the Underlying Instrument and so might indirectly affect your dealing in the CFDs.</p> <p>All the rules (if any) of each relevant market or Exchange may be relevant to the CFDs, so you should consider those rules. The details of those rules are outside the control of eToro and they may change at any time and without notice to you.</p>
Conflicts:	<p>Trading with eToro Australia for its OTC CFDs carries an automatic risk of actual conflicts of interests because eToro Australia is acting as principal in its positions with you and eToro Australia sets the price of the CFDs and also because it might be transacting with other persons, at different prices or rates, or eToro Australia might be dealing with market participants in relation to its exposure to you or to any aspect of all of its Clients' Accounts.</p> <p>You can monitor eToro Australia's CFD pricing compared with other CFDs which have comparable terms and by monitoring the underlying market.</p>
Valuations:	<p>eToro Australia decides the values of its financial products issues to you. Typically, this is by some reference to (but not automatically solely derived from) the market value (or, if relevant, index level) of the relevant Underlying Instrument on the relevant market which in turn affects the price quoted by any relevant Hedge Counterparty to eToro Australia. eToro Australia does not commit to providing prices directly from a market.</p> <p>If the market fails to provide that information (for example, due to a failure in trading systems or data information service) or trading in the Underlying Instrument is halted or suspended, eToro Australia determines its value based only on its own information (not market pricing).</p> <p>Due to the nature of our financial products, eToro Australia's discretion is unfettered and so has no condition or qualification.</p> <p>While there are no specific limits on eToro Australia's discretions, eToro Australia must comply with its obligations as a financial services</p>

	licensee to act efficiently, honestly and fairly. You therefore have the risk of relying on whatever value is determined by eToro Australia in the circumstances permitted by the Financial Product Terms.
Regulatory bodies:	<p>A Client may incur losses that are caused by matters outside the control of eToro Australia. For example, actions taken by a regulatory authority exercising its powers during a market emergency may ultimately result in losses to the Client because of the effect of those actions on the Underlying Instrument and so, will affect the terms of the Client's contract (with or without any decision by eToro).</p> <p>A regulatory authority can, in extreme situations, suspend trading or alter the price at which a position is settled, which might lead to changes to the pricing for the Underlying Instrument for the Client's position.</p>
eToro Australia's powers on default, indemnities and limitations on liability	<p>If you fail to pay, or to provide currency for, amounts payable to eToro Australia or fail to perform any obligation under your Transactions, eToro Australia has extensive powers under the Financial Product Terms to take steps to protect its position.</p> <p>For example, eToro Australia has the power to Close Out positions, to</p>

	<p>decide whether to accept Orders or to execute them and to determine the rates of interest it charges. Additionally, under the Financial Product Terms, you agree to indemnify eToro Australia losses and liabilities, including, for example, in default scenarios.</p> <p>Although these powers, limits on the liability of eToro Australia and the indemnities you give to eToro Australia are extensive and potentially expose you to significant risks, eToro Australia must comply with its obligations as a financial services licensee to act efficiently, honestly and fairly.</p> <p>You should read the Financial Product Terms carefully to understand these matters.</p>
Operational risk:	<p>There is always operational risk in the CFDs. For example, disruptions in operational processes such as communications, computers and computer networks, or external events may lead to delays in the execution and settlement of a Transaction.</p> <p>We might not be liable to you if losses arise owing to delays, errors or failures in operational processes outside our control, including but not limited to faults in the eToro Trading Platform or in the provision of data or services by third parties.</p>

4.3 Negative Balance Protection

eToro Australia provides Negative Balance Protection for your Accounts. This means that at all times, your maximum potential loss would be limited to the balance on your Accounts. The terms on which we offer Negative Balance Protection are set out in our Financial Product Terms.

If you choose to deposit funds with us, including additional funds in response to a Margin Call or otherwise, then these amounts will be included as part of your Account balance, and the risk of potential loss will be all of your Account balance at the time including these additional amounts. On the other hand, if you receive a Margin Call and choose not to deposit additional funds to satisfy the Margin Call, then your Account balance will not include the amount you would have needed to deposit with us in order to satisfy your Margin Requirements. However, in such instances, we may exercise our rights to close any or all of your open Contracts.

Section 5 – Fees, charges and costs

eToro Australia derives a financial benefit by entering into other transactions with other persons at different rates from those charged to the Client.

5.1 Fees - General

Please be aware that there is no separate “spread” charged as a fee – it is simply the difference that arises between the Bid and Ask prices as a result of the rates chosen by eToro Australia.

The specific details for each CFD (sometimes referred to as the Trading Conditions) will depend on a range of factors, including your choice of Underlying Instruments and their markets. The variable details are available at <http://www.etoro.com/en/customer-service/fees/>.

5.2 Finance Charge and Finance Credit adjustments on CFDs

Finance Charges and Finance Credits are calculated daily on CFD positions held overnight and are dependent on the underlying market of the Underlying Instrument and the actual rates decided by us.

When you hold a position overnight, your Account is debited or credited the overnight swap or rollover rate (otherwise known as the Finance Charge or Finance Credit).

The swap or rollover rate is decided by us by reference to the interest rate differential between the interest rates offered by the countries whose currencies you are trading (by way of our CFDs) plus or minus an amount (referred to as “spread”) applied by eToro Australia.

Any Open Positions held by you after the relevant hour for the CFD (as shown on <http://www.etoro.com/en/customer-service/fees/>) (**Overnight Hour**), which is considered the

beginning and end of the trading day for that CFD, are considered to be held overnight and so are subject to overnight fee/credit as further explained below.

When holding such position open after the Overnight Hour, an overnight fee/credit will be either added or subtracted from your Account with respect to such position.

The overnight fee/credit amount is a constant fee/percentage of the position value/dollar amount *per* units and is based on a number of factors including among others, whether the Transaction is a buy or a sell, relevant interest rates, the currency in which it is denominated, instrument differentials, daily price fluctuations and other economic and market related factors.

The overnight fee/credit for each instrument is displayed on <http://www.etoro.com/en/customer-service/fees/> link for each specific Underlying Instrument on the Trading Platform. Any specific differences or details may be found there.

Please be aware that since most liquidity providers (which include global banks, financial institutions, prime brokers and other market makers) across the globe are closed on Saturdays and Sundays (their local time), there is no overnight on these days, but most liquidity providers still apply interest for those two days. To account for that, we will book two/three days of overnight fee/credit on the day relevant for such Instrument as set out on <http://www.etoro.com/en/customer-service/fees/> (**WE Overnight Day**), which makes a typical Overnight Day overnight fee/credit a multiple of the amount on the preceding weekdays, all as set out on <http://www.etoro.com/en/customer-service/fees/>. Market holidays will be charged on a daily basis and not in advance before the holiday (for instance if any of the currencies traded has a major holiday).

In deciding whether to open a position for a CFD with a specific Underlying Instrument, you should be aware of the overnight fee/credit rates because they will be added or subtracted (as the case may be) to or from your Account.

5.3 Interest on cash balances

You do not receive interest on moneys held for you in the eToro Australia client money trust account. eToro Australia does not pay any interest on cash balances in your Account even if paid to eToro Australia by any third party, unless otherwise agreed in writing.

5.4 Bank Fees

Please be aware that you may incur fees imposed on your Transaction by your bank or intermediary banks. eToro Australia is not responsible for these additional charges.

5.5 Conversion fee

eToro Australia will convert any profit or loss of your Transactions from the trade currency to the currency of your Account at our current exchange rate which may be different to the spot foreign exchange rate.

5.6 Charges, External Fees and Taxes

In some cases, there may be fees charged by third party banks (e.g., bank charges on international payment transfers and credit card payments) to eToro Australia which eToro

Australia may charge you. These are not part of our financial products but you might incur them in relation to your payments to us or receipts from us.

For example, if eToro Australia is charged a credit/debit card/e-wallet fee for receiving your payment, eToro Australia will charge you for that (and any GST), and apply that to your Account.

If there is a chargeback for any payment to your Account (whether made by you or in your name), you may be responsible for covering any reversed payments and charge back fees incurred by eToro Australia.

You are responsible for any transaction duty, GST or similar goods and services or value added tax payable in respect of trading in Transactions (except for any income tax payable by eToro).

5.7 Details and Demonstration account

We encourage you to visit our Trading Platform to see how the Transactions work and their specific fees, charges and costs. Our demonstration account is a free way to see and learn examples.

Section 6 – General Information

6.1 Accounts denominated in foreign currency

Each Account will be denominated in US dollars or any other currency permitted by eToro Australia from time to time.

If you instruct eToro Australia to make a Transaction denominated in a currency different from the denomination of your Account currency, eToro Australia will convert the currency value of your Transaction into the Account's currency. Any such conversion is subject to eToro Australia's procedures and approval.

The foreign currency conversions can expose you to foreign currency exchange risks between the time the Transaction is entered and the time the relevant conversion of currencies occurs. This will immediately impact on the margining of your Account, so you must be careful to understand and to monitor the effect of trading in products denominated in foreign currencies.

Foreign exchange markets can change rapidly. Foreign currency exchange rates depend on many factors including for example, interest rates, currency supply and demand and actions of government. In some situations, exchanges of foreign currency may be suspended and further, may be allowed after a delay and the rates substantially different due to, for example, government decisions. These will impact on the rates of conversion set by eToro Australia.

6.2 Discretions

eToro Australia has discretions under the Financial Product Terms which can affect your Account Orders and positions. You do not have any power to direct how we exercise our discretions.

When exercising our discretions, we will comply with our legal obligations as the holder of an Australian Financial Services Licence. We will have regard to our policies and to managing all risks (including but not limited to financial, credit and legal risks) for ourselves and all our Clients, our obligations to our counterparties, market conditions and our reputation.

We will try to act reasonably in exercising our discretions but we are not obliged to act in your best interests or to avoid or minimise a loss in your Account, or avoid causing you fees on Transactions.

Our significant discretions are:

- whether to accept your Order (including to Close Out a position) or to amend it;
- any risk limits or other limits or filters we impose on your Account or your trading;
- determining Margin Cover and Margin Requirements, especially the amount of Initial Margin, and any grace time to meet any changed Margin Requirement;
- determining values of Underlying Instruments (for opening and closing positions and for determining Margin Cover);
- setting Bid prices and Ask prices; and
- Closing your positions and setting the Closing Value.

You should consider the significant risks that arise from eToro Australia exercising its discretions – see Section 4.

Our other discretions include:

- setting our fees and interest rates;
- adjusting your positions for adjustments made in the market to the Underlying Instrument;
- adjusting, Closing Out or cancelling Transactions or Orders due to applying our compliance or operational policies;
- setting foreign currency exchange conversion rates;
- opening and closing your Account; and
- interpretation, variation and application of our policies.

Please note that while we have discretions, the Trading Conditions typically are set or applied for automatic outcomes, such as Closing Out all of your Open Positions if your Account does not meet the Margin Requirement.

6.3 Policies

eToro Australia has a number of policies that can affect your investments. The policies are guidelines that eToro Australia (including all of its staff) is expected to follow but policies are not part of the Financial Product Terms and do not give you additional legal rights or powers.

We may change our policies at any time without notice to you. We may amend, withdraw, replace or add to our policies at any time without notice to you. Our policies might help you understand how we operate but all the important disclosures are set out in or referred to in this PDS and the Financial Product Terms set out our respective contractual rights and obligations so you should only rely on this PDS and not on the policies.

A summary of our key policies is available by contacting us, which we will send you by email free of charge.

Our key policies relevant to our products currently are:

- client suitability policy;
- client moneys policy;
- risk management policy (to the extent it applies to Clients, hedging and Hedge Counterparties); and
- conflicts of interests' management policy

6.4 Anti-Money Laundering Laws

eToro Australia is subject to anti-money laundering and counter-terrorism financing laws (AML laws) that can affect the CFDs. If your Account is established, eToro Australia may disclose your personal information and stop or Close Out Transactions on your Account for the purposes of the AML laws or under eToro Australia's AML laws, policies and procedures, without liability to you for any loss that arises due to that occurring.

6.5 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 Australia is available at www.etoro.com (follow through to the pages for eToro Australia).

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.

eToro Australia also provides or arranges the services of its affiliates to you. This includes the eToro Trading Platform and CopyTrading tools. The terms of these are with the respective service providers, which are affiliates of eToro Australia domiciled outside of Australia and subject to their respective countries' laws, regulations and (if applicable) investor protections). Such services are covered by the following documents:

<https://www.etoro.com/en/copytrading-authorization/>

<https://www.etoro.com/customer-service/terms-conditions/>

<https://www.etoro.com/customer-service/general-risk-disclosure/>

Please note that your CFDs are only with eToro Australia and, despite using any services from affiliates of eToro Australia, you are unlikely to have any investor protections in relation to the CFDs with eToro Australia other than pursuant to the Financial Product Terms and Australian law.

6.6 Applications

You apply for an Account by completing an online application form which accompanies the online access to the Financial Product Terms.

Accounts can be funded by credit card, electronic transfer, or other methods permitted by eToro Australia from time to time. Please note that eToro Australia does not accept cheques or cash deposits.

Funding your Account by credit card has additional risks and costs for you. By using that payment method, you effectively would be doubling your leverage by taking credit from your credit card account and dealing with leverage on your Account. This can add to the risks and volatility of your positions as well as potentially higher interest costs on your credit card account.

If you lose on your CFDs, you might not have other financial resources to repay your credit card account, incurring higher interest costs and possibly defaulting on your credit card terms.

Although eToro accepts payments of more than \$1,000 from credit card accounts to fund your Account and for later Margin payments, please carefully consider whether this payment method is suitable for your dealing and limit it to what you can afford.

6.7 Taxation Implications

The Australian Taxation Office (ATO) Taxation Ruling 2005/15 describes the income tax and capital gains tax implications of trading in CFDs for differences and margin foreign exchange CFDs.

Our products will have taxation implications for Clients, depending on the current tax laws and administration, the nature of the Client for tax laws, the terms of the transactions and other circumstances. These are invariably complex and specific to each Client. You should consult your tax adviser before trading in these financial products.

The following summary assumes that the Client will hold the contract on revenue account, i.e. the Client will be carrying on a business of either trading or investing in these types of financial products or the Client will enter into the financial products for profit making purposes (or both). This summary does not consider the taxation position if you enter into the financial products detailed in this PDS for the purposes of hedging risks associated with other investments held by the client on a capital account.

If you are entering into a contract for the purposes of hedging, then the taxation consequences will depend on the nature of the underlying transaction or the asset or liability which is being hedged. It is recommended that you obtain your own professional taxation advice for this scenario.

The following information should be regarded as general information only.

Profits and losses on our CFDs

Any realised gains derived or losses incurred by you in respect of a contract ordinarily should be included in your assessable income. Realisation will generally occur when the right or obligation to receive or pay on the contract ceases.

When calculating the amount of profit or loss, you need to consider the difference between the Closing Value and the Contract Value on commencement of the position and any fees on Open Positions paid or received by you.

The availability of tax deductions or losses incurred because of entering into these contracts to offset current and future year income will depend on your personal circumstances and you will need to seek advice from your tax adviser in this regard.

Interest you receive on your Account is likely to be treated as assessable income for Australian tax purposes at the time that it is credited to the Account. If you do not provide your TFN (or ABN if applicable) or proof of exemption, eToro Australia may be required to withhold tax from any interest payment at the highest marginal rate (possibly plus any levy).

Capital gains tax

A contract for difference is classified as a capital gains tax asset under the Income Tax Assessment Act 1997 (Commonwealth) (ITAA). Your dealing in eToro Australia CFDs will have capital gains tax implications for you. In calculating any capital gain or loss in respect of your dealing in eToro Australia CFDs, it is our understanding that you are entitled to take into consideration the cost of acquiring, holding and disposing of the eToro Australia CFD.

Tax file number withholding rules

The tax file number withholding rules only apply to those investments as set out in income tax legislation. eToro Australia's current understanding is that those withholding rules do not apply to its financial products; however, if it is later determined to apply and you have not provided eToro Australia with your tax file number or an exemption category, eToro Australia may be obliged to withhold interest payments at the highest margin tax rate and remit that amount to the ATO.

Other fees, charges or commissions

If the position gives rise to gains that are assessable or losses that are deductible, any fees other than charges or commissions ordinarily should be available as a deduction at the time they are paid by the investor and debited against their Account.

Goods and Services Tax

According to the ATO GST Determination GSTD2005/3, the provision, acquisition or disposal of a contract for difference is a financial supply under the provisions of the A New Tax System (Goods and Services) Tax 1999 and related regulations and is input taxed, with no GST imposed.

Except for fees and charges as set out in this PDS, amounts payable for or in respect of positions are not subject to goods and service tax for Australian residents. Clients should seek their own independent advice.

6.8 Cooling Off

There is no cooling off arrangement for our offering. You do not have the right to return any eToro Australia OTC contract acquired, nor request a refund of the money paid to acquire the CFD. If you change your mind after entering into a contract with eToro, you must Close it Out, pay any Transaction fees and take the risk of incurring a loss in doing so.

6.9 Ethical Considerations

eToro Australia OTC contracts do not have a managed investment component.

Labour standards or environmental, social or ethical considerations are not taken into account by eToro Australia when making, holding, varying or Closing Out the CFDs.

6.10 Jurisdictions

The distribution of this PDS in jurisdictions outside Australia may be subject to legal restrictions. Any person who resides outside Australia who gains access to this PDS should comply with any such restrictions and failure to do so may constitute a violation of financial services laws.

eToro Australia may decline applications for Accounts, or for access to particular kinds of CFDs (such as eToro Cryptocurrency CFDs) at any time and from time to time due for any reason, including due to regulations in relation to Underlying Instruments (such as cryptocurrencies).

eToro Australia's operations are governed by the laws in Australia.

6.11 eToro insurance

eToro Australia has a comprehensive insurance policy in place to cover a variety of different scenarios, some which may assist in the repayment of deficits arising from dealing in Hedge Counterparties or if there is fraudulent activity by one of eToro Australia's employees, directors or authorised

representatives that results in your money being used in fraudulent activities.

If the insurance policy is insufficient or the insurer fails to perform its obligations, eToro Australia may not be able to make the payments it owes to you.

6.12 Dispute Resolution

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 Aus Capital Pty Ltd
Level 19, 9 Hunter 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 Australian Financial Complaints Authority, if your complaint is within its rules. AFCA is an external dispute resolution scheme. The contact details for AFCA are:

Australian Financial Complaints Authority
G.P.O. Box 3
Melbourne VIC 3001
Telephone: 1800 931 678
Website: www.afca.org.au

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

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

6.13 Privacy

All the information collected by eToro Australia, in the application form or otherwise, is used for the purpose of providing you with the financial products and services, maintaining your Account, and for the purpose of assessing whether you would be suitable as a Client.

eToro Australia has obligations under, and has procedures in place to ensure its compliance with, the Privacy Act 1988 (Commonwealth).

Significantly, these obligations include the following:

Collecting personal information

In collecting personal information, eToro Australia is required:

- to collect only information which is necessary for the purpose described above;
- to ensure that collection of the information is by fair and lawful means; and
- to take reasonable steps to make you, the individual, aware of why the information is being collected and that you may access the information held by us.

If necessary, eToro Australia may also collect information on directors and shareholders of a corporate client or agents or representatives of the Client. eToro Australia may be required by law to collect information, such as for taxation purposes or to identify persons who open or operate an Account.

eToro Australia may take steps to verify information given to it, in accordance with relevant laws, such as consulting registries, referees, employers or credit agencies. This information will not be disclosed to any other person although eToro Australia may disclose this information to its related bodies corporate or agents in the ordinary course of eToro Australia providing you with its products and services.

Using the personal information

If eToro Australia has collected the information from you, eToro Australia will only use the information for the purposes described below and above unless you consent otherwise.

Personal information may be disclosed to:

- any person acting on your behalf, including your adviser, accountant, solicitor, executor, attorney or other representative;
- related bodies corporate or agents in the ordinary course of eToro Australia providing you with its products and services if you use, or intend to use, services of those other corporations;
- any organisations to whom eToro Australia outsources administrative functions;
- brokers or agents who refer your business to eToro Australia (so that we may efficiently exchange information and administer your account);
- regulatory authorities; and
- as required or permitted by law or by court order.

This information will not be disclosed to any other person without your consent.

You may access your personal information held by eToro Australia (subject to permitted exceptions), by contacting eToro Australia.

Since eToro Australia is obliged by law to take reasonable steps to ensure that the personal information used is accurate, up to date and complete, please tell us immediately if any of the information provided in this section changes.

Retaining personal information

eToro Australia takes reasonable steps to maintain secure protection of all personal information obtained from misuse, loss, unauthorised access, modification or disclosure.

Section 7 – Glossary

ABN means Australian business number.

Account means your account with eToro Australia established under the Financial Product Terms, including all Transactions recorded in them, for using the eToro Trading Platform.

Financial Product Terms means the terms of your Account with eToro Australia for all of your Accounts by which you deal in Transactions (as amended from time to time). Variations or additional terms may be notified to you from time to time in accordance with your current Financial Product Terms.

Account Value means the current value of your Account equity which is calculated by eToro Australia by combining:

- the equivalent balance of your Account in the eToro client monies trust account;
- the Realised/Unrealised Losses and Realised/Unrealised Profits;
- indicative costs to Close Out (fees, Finance Charges); and
- the values of Transactions not yet booked.

AML Laws means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth) and any related regulations, rules and instruments.

Ask means the price which eToro Australia as the seller is willing to accept i.e. the price at which you can buy the contract. This is also known as the “offer price”.

ASX means the currencies and other Exchanges operated by ASX Limited.

Australian Dollars or **AUD\$** means the lawful currency of the Commonwealth of Australia.

Balance means the funds or posted credit value available in an Account that may be used for dealing in the CFDs.

Base Currency is the first currency quoted in a currency pair, for example in the quote AUD/USD, the AUD is the Base Currency.

Bid means the price which eToro Australia as the buyer is willing to accept i.e., the price at which you can sell the contract.

Business Day means a weekday which is not a gazetted public holiday in Sydney

CFD means the same as an OTC contract.

Client refers to the person who has an Account with eToro Australia.

Close Out, Closed Out and **Closing Out** in relation to a Transaction means discharging or satisfying the obligations of the Client and eToro Australia under the transaction and this includes matching up the Transaction with another Transaction of the same kind under which the Client has assumed an offsetting opposite position.

Closing Value means the value determined by eToro Australia by multiplying the number of your contract by the price (or, if an index, the level) of the contract.

Commodity Transaction means a transaction to buy or sell a specific quantity of a described commodity or to make a payment calculated by reference to changes in the level of an index or interest rate, at an agreed date in the future.

Contract Value means the face value of the contract, and is calculated by eToro Australia by multiplying the applicable price (or, if an index, the level) of the contract by the number of CFDs.

Corporations Act means the Corporations Act 2001 (Commonwealth).

eToro Australia CFD means an OTC contract issued by eToro Australia pursuant to the Financial Product Terms.

eToro Australia client monies trust account means the bank account (or any one of several of them) maintained by eToro Australia as a trust account under section 981B of the Corporations Act. The money held in it beneficially for you is credited to your Account.

eToro Commodity CFD means an eToro Australia CFD (issued by eToro Australia pursuant to the Financial Product Terms) whose Underlying Instrument is a Commodity Transaction.

eToro Cryptocurrency CFD means an eToro Australia CFD (issued by eToro Australia pursuant to the Financial Product Terms) whose Underlying Instrument is a cryptocurrency.

eToro FX CFD means an eToro Australia CFD (issued by eToro Australia pursuant to the Financial Product Terms) which derives an amount calculated by reference to foreign exchange rates.

eToro Index CFD means an eToro Australia CFD (issued by eToro Australia pursuant to the Financial Product Terms) whose Underlying Instrument is an index comprising securities of issuers listed on an Exchange, typically an index sponsored or promoted by an Exchange.

eToro Share CFD means an eToro Australia CFD (issued by eToro Australia pursuant to the Financial Product Terms) whose Underlying Instrument is a share or other Exchange-traded financial product.

eToro Trading Platform means any of the online trading platforms provided (or arranged to be provided) by eToro Australia for accessing your Account and placing Orders.

Exchange means the relevant market or any other exchange or market on which the relevant Underlying Instrument trades or, in the case of an index, to which it relates. It includes unregulated exchanges for cryptocurrencies.

Finance Charge means a charge payable by you in respect of your Transaction, in accordance with the Financial Product Terms.

Financial Product Terms means the terms governing both the OTC contracts and your Account with eToro Australia for all of your Accounts by which you deal in Transactions (as those terms are amended from time to time). Variations or additional terms may be notified to you from time to time in accordance with your current Financial Product Terms.

Hedge Counterparty means a person with whom eToro Australia enters into a hedge contract to hedge eToro Australia's exposure to Client positions.

Initial Margin means the amount which you are required to provide to eToro Australia as the initial Margin to open a position.

Leverage Ratio means the ratio set by eToro Australia which enables the Client to open a Transaction with an exposure referable to that ratio.

Margin Closeout means the automatic Close Out of all of your Open Positions which occurs if the Balance does not equal or exceed the Margin Requirement.

Margin means the amount of funds paid to eToro Australia and credited to your Account as Margin.

Margin Cover means the amount calculated by eToro Australia as the value in your Account available to meet your Account's Margin Requirement and for any further CFDs. It comprises Margin held in the eToro Australia client monies trust account for you and some part (in the discretion of eToro Australia) of any Realised/Unrealised Loss and any Realised/Unrealised Profit.

Margin Requirement means the minimum amount of Margin required to be maintained in your Account before the Account Value reaches the Margin Closeout level.

Market Order has the meaning given to it in section 3.17 of this PDS.

Open Position means, at any time, a Transaction which has not been Closed Out, or settled prior to the time agreed for settlement. **Take Profit Order**

Order means any instruction provided by you to enter into a Transaction or to Close Out a Transaction.

OTC means over-the-counter (in contrast with Exchange-traded).

OTC contract means an over-the-counter contract, provided pursuant to the Financial Product Terms, for a financial product, including options and CFDs in respect of foreign exchange or other commodities, such as metals. eToro Australia acts as principal to you in your OTC contracts.

Realised/Unrealised Loss refers to each of the following:

(a) **Realised Loss** – the amount by which the value of an Open Position on Close Out is less than the value of the Open Position when the Open Position was last valued or if the Open Position has never been valued previously, it is the value when the position was opened; and

(b) **Unrealised Loss** – the amount by which the value of an Open Position (not on Close Out) is less than the value of the

Open Position when it was last valued or if the Open Position has never been valued previously, it is the value when the position was opened.

Realised/Unrealised Profit refers to each of the following:

(a) **Realised Profit** – the amount by which the value of an Open Position on Close Out is more than the value of the Open Position when the Open Position was last valued or if the Open Position has never been valued previously, the value when the position was opened; and

(b) **Unrealised Profit** – the amount by which the value of an Open Position (not on Close Out) is more than the value of the Open Position when it was last valued or if the Open Position has never been valued previously, the value when the position was opened.

Take Profit Order has the meaning given to it in section 3.17 of this PDS.

Term Currency is the second currency quoted in a currency pair, for example for the quote AUD/USD, the Term Currency is the USD.

TFN means tax file number.

Trading Conditions means the operating rules and conditions for your trading on the eToro Trading Platform from time to time.

Trailing Stop Order has the meaning given to it in section 3.17 of this PDS.

Transaction means any of the kinds of CFDs which are dealt under the Financial Product Terms.

Underlying Index means an Underlying Instrument which is an index when it is used as the basis for the calculations of prices for an eToro Australia Index CFD.

Underlying Instrument means the instrument which is used as the basis for the calculations of prices for your CFDs. This includes an Underlying Index.

Withdrawable Funds means the amount of cash which may be paid to you from the Account if requested. There are Withdrawable Funds only if you have excess Balance over your Margin Requirement and our fees, charges and costs owing and payable to us. The amount of the Withdrawable Funds is the lesser of the Balance of your Account and the Margin Requirement.

*** END OF DOCUMENT ***

eToro Service

Product Disclosure Statement

7 May 2020

eToro Service

ARSN 637 489 466

Responsible Entity

Gleneagle Asset Management Limited

ABN 29 103 162 278

AFSL 226199

Level 27, 25 Bligh Street, Sydney NSW 2000

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Section 1 - Important information about this PDS

The Service and this PDS

This document is the eToro Service – Product Disclosure Statement (**PDS**) dated 7 May 2020, authorised and issued by Gleneagle Asset Management Limited as the responsible entity of the registered managed investment scheme called the “eToro Service” ARSN 637 489 466.

This PDS offers interests in the eToro Service ARSN 637 489 466, a scheme that is registered with the Australian Securities and Investments Commission (**ASIC**) under the Corporations Act.

Gleneagle Asset Management Limited (referred to in this PDS as “**Responsible Entity**”, “**we**”, “**our**” or “**us**”) is Responsible Entity of the registered managed investment scheme called the “eToro Service” ARSN 637 489 466 (also referred to in this PDS as the “**eToro Service**” or “**Scheme**”) and the issuer of this PDS.

The Service is a digital service. Investors, by applying, agree to receive disclosures, reports and communications in electronic or other digital form.

Please see the Glossary in **Section 12** - of this PDS.

General information only

The information contained in this PDS is general information only and does not take into account your individual objectives, financial situation, needs or circumstances. You should assess together with your financial adviser (if any) whether investing through the Scheme is appropriate for you having regard to your objectives, financial situation, needs and circumstances.

Availability outside Australia

The availability of this PDS in jurisdictions outside Australia may be restricted by law. Persons into whose possession this PDS comes should inform themselves about and observe any such restrictions. Failure to comply with the restrictions may violate those laws. The availability of this PDS outside of Australia or the acceptance of an Application by a person who is, or becomes, resident outside of Australia does not imply that Responsible Entity is

licensed in the relevant jurisdiction outside of Australia or that this PDS is authorised under the jurisdiction's laws or complies with laws applying in that jurisdiction for a comparable disclosure document.

We will make available, upon request (sent by email) and free of charge, this PDS and the Additional Information Statement by sending an online link to an electronic copy of those documents. You may contact us using the contact details in the Directory at the end of this PDS.

Additional Information Statement

This PDS discloses the information required for a product disclosure statement. Other important information which is not required to be in a product disclosure statement may be in an Additional Information Document (also referred to as the **AID**). The AID if any is not incorporated by reference into or form part of this PDS.

The information in the AID may change between the time you receive this PDS and the time you acquire an interest in the Scheme (being the time of establishment of your Account). Please ensure that you read the AID (if any) which is current as at the time you acquire an Account. You should consider both this PDS and the AID before deciding to apply for an Account.

Account Terms and rules

The Account Terms are the terms of your agreement to use the eToro Service. From time to time there may be rules for using the Service, such as the Platform, such as order types. These are not part of the PDS and may later change in accordance with their provisions. You should consider the Account Terms and any rules before deciding to apply for an Account.

Updating information

Certain information in this PDS may change. We will notify you of any changes that will have a materially adverse impact on you or other significant events that affect the information in this PDS (including by providing you with an online link to further information about the changes).

We may issue a new or supplementary PDS in respect of any changes that have a materially adverse impact on a retail client's decisions whether to invest (and provide you with an online link to those documents).

Current documents, including the PDS and AID (if any) and any other general information relating to the eToro Service, can be obtained free of charge at any time from the help section of the Platform or the website at www.etoro.com.au

Not responsible

No associates or subsidiaries of Responsible Entity were involved in the preparation of this PDS or are responsible for its contents.

eToro entities were involved in the preparation of this PDS and provided consent to the statements about each of them in the form and context in which they are included; however, no eToro entity is responsible for the issue of this PDS.

Neither Responsible Entity nor any eToro entity, or any of their associates or subsidiaries, or any issuer of any underlying investment obtained through the Scheme assures or guarantees the success of the eToro Service or any particular investment, or the repayment of capital or a particular rate of return, income or capital.

Neither Responsible Entity nor any eToro entity, or any of their associates or subsidiaries, assures or guarantees the performance of obligations by any issuer of an underlying investment obtained through the Service, including the payments due by the issuer of an underlying investment.

By applying for an Account, you confirm that you have received a copy of the current PDS and Account Terms, that you have read them and agree to be bound by the Account Terms and the Constitution of the Scheme (each as amended from time to time).

Section 2 - Overview of the eToro Service

eToro group

The eToro group of companies provides a leading international trading platform specialising in capital market investments, which commenced operations in 2007. For more than a decade, eToro has been a leader in the global Fintech revolution for retail investment in these investments.

eToro entities are regulated by their respective jurisdiction's regulators, such ASIC, CySEC and the FCA. For more information on eToro you can visit www.etoro.com.

eToro Service

the eToro Service (also referred to as the Scheme) gives members of the Scheme (we refer to as **Clients**) access to the eToro trading platform which has been licensed to Responsible Entity for the purposes of the Scheme (**Platform**). The Platform offers Clients a range of short-term and long-term investment opportunities including Securities Trading.

Since Clients have different risk-appetites, the Platform offers underlying investments varying from low to high risk. The Platform tools are easy to use, and information about the Scheme is readily accessible through the Platform.

Since all trading involves risks, and eToro wants Clients to make smart investment decisions, the Platform offers a wide range of responsible trading features.

About Responsible Entity

Gleneagle Asset Management Limited is Responsible Entity of the Scheme. As Responsible Entity, we issue interests in the Scheme, and are legally responsible to the Clients of the Scheme for its operation.

We have appointed eToro entities to provide services for the Scheme, such as licensing the Platform to us, execution services for any instructions given to us by Clients by the Platform, custody and from time to time eToro entities will provide support services to assist us in operating the Scheme.

Copy Trading

The eToro group is an international leader in providing various copy trading services, known as Copy Trading. This service is not yet available through the eToro Service. This PDS does not cover eToro's Copy Trading. We will issue a PDS or supplementary PDS to cover eToro's Copy Trading services when available through the eToro Service.

Significant benefits of the Scheme

- *Scheme structure:* your Account is provided through a registered managed investment scheme. Australia's financial laws apply to the eToro Service. As Responsible Entity of the Scheme, we have a legal obligation to act efficiently, honestly and fairly in the provision of financial services to you and to comply with the Constitution.
- *Investment choice and diversification:* when you are a Client (a member of the Scheme), you have access to Securities Trading on the Platform. This PDS does not cover the other asset classes which are available on the Platform.
- *Online convenience:* your instructions to perform many of the Transactions described in this PDS can be submitted online through your Account. The Platform provides easy access to information and reporting, including on the current valuation of the overall portfolio of Assets designated to your Account, and Transactions for each of your investments and cash holdings.

Section 3 – Key features of the Scheme

Nature of the Scheme

The Scheme is a registered managed investment scheme in which each member has a separate Account. In this PDS members are referred to as Clients. The Client's interest in the Scheme is their Account. The Assets of the Scheme are designated to the respective Accounts of Clients.

The Securities Trading is available to Clients who have an Account in the Scheme. Applicants may be required to provide a suitability assessment before they are allowed to use the eToro Service or any part of it.

The Assets referable to your Account may be held by the Custodian. Records are kept to designate which Assets are referable to each Client. Your Assets are also held separately from the assets of Responsible Entity. Please be aware of two other important features:

- Assets of all Clients may be aggregated when held by any custodian (or sub-custodian). This means that all assets held by a custodian (or a sub-custodian) are in an omnibus account. Responsible Entity is responsible for maintaining the records for the segregated Accounts.
- Fractional investing will be available in selected investments (as approved by Responsible Entity from time to time).

For example, the minimum investment in a leading global "exchange traded fund" might be too large for a Client. The Service can allocate a fractional investment in a minimum parcel to more than one Client, giving each Client an investment that they might not otherwise be able to access. While each Account is NOT pooled with other Accounts, the investment would be held in an omnibus account with a custodian (or sub-custodian) on behalf of all Clients who hold a fractional investment allocation (corresponding to the amount they have invested in that investment). This might give Clients more investment opportunities and potentially earlier access to the opportunity.

The key features of the Scheme are summarised in the table below.

Features	Explanation
Scheme objective	<p>The purpose of the Scheme is to provide investors with access and exposure to Securities Trading. The Securities Trading service is intended to be suitable for investors seeking favourable levels of return over the long term with low levels of volatility.</p> <p>The Scheme is operated through the Platform and is a digital service only. By applying for an Account, you agree to receive disclosures, reports and communications in an electronic format only.</p>
Investment opportunities	<p>The Scheme offers investment opportunities through the Platform by Securities Trading.</p> <p>Further information about the investment opportunities in the Scheme can be found in Section 4 - of this PDS.</p>
Your Account	<p>An Account is allocated to a Client after their Application is accepted. Only Clients who hold an Account may exercise their rights as members. We do not recognise as members any other person.</p> <p>You may use your Account to access the Platform and its various functionalities. Your Account will contain a record of all Transactions we enter into, or Assets we hold on your behalf in the Scheme.</p> <p>Your Account represents the entire relationship between you, as the Client, and us, Responsible Entity. We may allow you to have separately designated accounts from time to time. Each is part of your Account.</p> <p>You do not have an account with any service provider we use, such as an eToro entity who provides services to us to help operate the Scheme.</p> <p>Your contributions will remain in your Account until we obtain clear investment instructions from you, and your selected investments have been purchased. We may withdraw or otherwise move the funds designated to your Account in accordance with the Constitution and the Account Terms, such as when we receive clear instructions from you; your selected investments have been purchased and must be paid for; to pay our fees, charges, expenses taxes (which you owe to governments) and to reimburse us (in accordance with the Account Terms).</p>
Ownership of Assets	<p>All Assets held within the Scheme, including those held for your Account, are held in the name of the Custodian (unless we choose to hold funds in a bank account in our name). Please be aware that holding investments through an Account may</p>

	<p>have different features and risks (as set out in this PDS) that do not arise for investors directly holding their investments in their own name.</p>
Minimum transaction and balance requirements	<p>We may specify minimum Account balances or conditions from time to time. Refer to Section 6 - of this PDS for information about the minimum transaction and balance requirements.</p>
Payments and Base Currency	<p>Any payments to us can only be made by an electronic fund transfer. Any amounts we receive prior to opening your Account will be held in the applications account and will not earn interest.</p> <p>Deposits and withdrawals can be by electronic funds transfer or permitted payment gateway providers.</p> <p>The Base Currency on your Account is US Dollars (USD). If any of your investments are denominated in a currency other than your Base Currency, we will convert the relevant amounts to the Base Currency. This will be at rates we choose and will be subject to a conversion fee.</p>
Fees and costs	<p>Further information about fees and costs can be found on Section 6 - of this PDS.</p>
Valuation	<p>An updated valuation of your Account will generally be available on the Platform and adjusted during the times when the market or exchange for the relevant Assets is open.</p>
Leverage and margin (if applicable)	<p>The investments we make on your behalf may attract leverage restrictions and margin requirements. You owe us the amounts we owe for the investments we make on your behalf. If you are unable to meet these requirements we may dispose of or close out these investments without your approval or that may be done by the service provider (such as broker or clearing house) for your underlying investments.</p> <p>We do not make margin calls (i.e. we will not notify you when you are required to deposit more margin into your Account). It is your sole responsibility to monitor the money in your Account against your potential losses, the margin required, and whether your position is close to your stop level, as we will not notify you when this happens.</p>
Distributions	<p>Your Account may be credited with income (including interest income on cash held in your Account) and dividends from investments through the Securities Trading service.</p>
Corporate actions	<p>The Responsible Entity or Custodian will receive communications relating to corporate actions affecting the investments held in your Account. Ordinarily these are on an aggregate basis so they will not be passed directly onto you. Ordinarily you will not be able to</p>

	<p>participate in any corporate actions (which can lead to adverse limitations on your underlying investments, compared with holding the investments directly).</p> <p>In dealing with corporate actions, we will act in the best interests of Clients in the Scheme as a whole but will not be obliged to consider any particular Client nor will we be obliged in all cases without fail to act on any Client’s directions. Our policy regarding corporate actions affecting securities held in the Scheme is generally that:</p> <ul style="list-style-type: none"> • we will adjust your Account to fairly account for distributions flowing from any distributions and dividends from investments in shares or ETFs. • we will generally adopt a neutral position and not vote at meetings of holders of investments, although we may exercise our discretion and vote depending on the particular circumstances; and • we will deal with other corporate actions using our discretion, and in consultation with eToro entities.
<p>Withdrawals</p>	<p>Generally, you can make withdrawals out of your Account at any time subject to certain limits in the Constitution, Account Terms, any other rules. If any of your withdrawals are denominated in a currency other than your Base Currency, we will convert the relevant amounts to the withdrawal Currency. This will be at rates we choose and will be subject to a conversion fee.</p> <p>If your Account is closed, all surplus funds in it will be sent to you (or, if you are uncontactable, held and dealt with as unclaimed moneys). You withdraw from the Scheme when your Account is closed.</p> <p>Further information about withdrawals can be found on Section 6 - of this PDS.</p>
<p>Reporting</p>	<p>Clients can access reports through the Platform about their investment through the Scheme. Section 7 - of this PDS describes the specific reports which we provide to Clients on a regular basis.</p>

Section 4 - How we invest your money

Investment instructions

Through the Platform, we offer you access and exposure to Securities Trading. We invest your money based on clear investment instructions we receive from you through the Platform. We will only accept investment instructions from you.

No personal advice is given by Responsible Entity or any eToro entity to you in relation to the Scheme. You should consult your adviser before applying to become a member of the Scheme (that is, have an Account) and before you make a selection of any investment.

Dealing in Securities Trading

Dealing in investments for the Scheme will be undertaken by us (including by an eToro entity acting on our behalf). Dealings may occur on an aggregate, averaged basis across all Accounts within the Scheme to take advantage of scale and netting opportunities. All investments will be allocated to the relevant Accounts on a pro rata basis.

Labour standards, environmental, social and ethical considerations

We do not take into account labour standards and environmental, social and ethical considerations when exercising our discretion to execute your investment instructions, or follow to any particular set of standards. We may consider general factors such as, but not limited to, labour relations, potential environment impacts and whether a target company has clearly defined code of conduct and ethics policies.

Investment opportunities

Securities Trading

We offer Securities Trading services which allow Clients to invest in securities and other financial products (without leverage) through the Platform across a range of asset classes, including shares and ETFs:

- **Shares:** you may deal in shares through the Platform by opening a buy (long), non-leveraged position, which means you are dealing in the underlying asset, and the shares are held by our Custodian on your behalf.
- **Exchange-Traded Fund (ETF):** this is a financial product comprising several assets grouped together to serve as one tradable financial product (sometimes an interest in a fund, sometimes a right more similar to a share with limited rights). Investing in ETFs by opening a buy (long), non-leveraged position, means you are investing in the underlying asset, and the ETF is purchased and held by our Custodian on your behalf.

We invest in these types of securities on your behalf based on your instructions to us. It is important to understand that the Scheme is not an IDPS. While we will generally seek to comply with your investment instructions, we have the power to delay or to decline your instructions to us and we decide which investments are available through the Scheme. This means that investment instructions given by you might not always be actioned. Refer to **Section 6** - of this PDS for further information about our discretions.

Entering into Transactions

The Platform displays indicative prices or quotes to buy or sell securities. We have appointed an eToro entity to set the (bid and ask) prices of the securities which can be traded on the Platform. This means that our quotes will be different from the prices provided by brokers, the market price, as well as the current prices on any exchanges or other trading platforms. We currently do not charge execution fees, so to compare the total cost of using the eToro Service you should compare all of the features and fees, charges and costs with all of the features and fees, charges and costs of services by brokers and other intermediaries.

When you use our Securities Trading services, we will execute Transactions based on your instructions as soon as reasonably practicable. An eToro entity will execute the Transactions on our behalf and may from time to time use one or more brokers in the execution process. We too may choose one or more eToro entities, depending on their respective jurisdictions and investments which you choose.

Settlement

Your security investments will settle in accordance with local markets. We cannot guarantee that your execution price will match your order price. We are not liable for any losses, costs or expenses that you suffer as a result of any delay or change in market conditions either before a Transaction is executed, or before a Transaction settles.

All settled Transactions are recorded on your Account and held in the name of our Custodian.

Default before settlement

In the unlikely case that we, an eToro entity or a broker used by them becomes insolvent or commits another kind of default under their respective agreements, it is possible that settlement of your Transaction does not occur (because of the provisions relating to that default or due to the rules of any relevant exchange). In that case the transfer will not be completed so legal title to the investments will not be obtained by anyone acting on your behalf and you will not get any beneficial interest in the Transaction's intended underlying investments. This may be the case even if the securities which you have bought are shown as available in your Account. In these circumstances, you will be entitled to the amount that you paid for the securities.

Section 5 - Significant risks

Before you make an investment decision, it is important to identify your investment objectives and the level of risk which you are prepared to accept. This may be influenced by factors such as:

- The timeframe over which you are expecting a return on your investment and your need for regular income versus longer-term capital growth.
- Your level of comfort with volatility in returns.
- The general and specific risks associated with particular investments.
- Risks associated with the structure through which your investments are made.

As such, it may be important for you to obtain personal advice about your financial circumstances and needs, as well as the suitability of the Scheme and the investments for you, before you apply to join the Scheme.

Risk	Explanation
Scheme risk	<p>There are risks particular to investing in the Scheme including that the Scheme could be terminated, fees and charges could change (including increases and additional fees, charges and costs), Responsible Entity could be changed, the investments offered by the Scheme could be closed or changed.</p> <p>The Service is governed by the laws for registered managed investment schemes and the Constitution, each of which may be amended from time to time.</p>

<p>Investing through the Scheme</p>	<p>Investing through your Account has benefits and risks. The significant risks include the risk that Responsible Entity (including by its agents) does not comply with the laws, the Constitution or your permissible instructions.</p> <p>We use a Custodian which means that the investments referable to your Account are held in the name of the Custodian. This gives the custody risk that the custody may be lost, or not settled in the ordinary course, or there may be errors in allocating investments to your Account.</p> <p>Investment opportunities may be available because the Custodian is the legal owner of investments held for your Account. This includes offers only to wholesale clients (and not also beneficially for retail clients). The requirements by the offeror for those investment opportunities may differ and may later change, giving the risks that not all investments may be taken up, or held, by Responsible Entity.</p> <p>The wholesale client status of the Custodian may significantly affect the terms on which financial services or financial products are made available to the Custodian. For example, shareholder and other corporate benefits available to registered shareholders might not be directly passed through to each Client's Account, since the Custodian will be the sole registered legal owner of the investments giving rise to those shareholder benefits.</p> <p>Similarly, by reason of Responsible Entity being classed as a wholesale client, other providers of financial services or financial products may manage their services or deliver products to Responsible Entity, without documents and client protections for retail clients, so members of the Service will only have the benefit of Responsible Entity being treated as a wholesale client in respect of their investments. For example, pre-IPO offers, rights issues, OTC derivatives, and overseas offers might not have a regulated product disclosure document or, if they do, might deal with client moneys (sourced from members, invested in their Account and paid by Responsible Entity to the other financial services licensee) as client moneys of a wholesale client (and so not have the protections given to retail client trust moneys). This has the risk that Clients of the Scheme, while having the benefit of the opportunity to invest in those opportunities, also do not have the benefit of retail client disclosures and laws protecting them if they were directly investing as retail clients.</p> <p>If possible, Responsible Entity will make available the disclosure documents of the other financial services provider (including by providing an online link to where the documents are available).</p>
<p>General risks</p>	<p>All investments have an inherent level of risk. Generally there is a trade-off between higher expected returns for higher expected risk represented by the variability of investment returns. Investment risk may also result in loss of income or capital invested and possible delays in repayment. Clients could receive less than they initially invested and there is no guarantee that they will receive any return from their investment through the Scheme.</p>

<p>Portfolio investment risk</p>	<p>Clients may invest in speculative investments with increased levels of investment risk. The value of the Client's Account in the Scheme may fall or fluctuate widely which will affect the portfolio of Assets designated to that Account. Changes in economic, political or market conditions or the regulatory environment may adversely impact the portfolio of investments.</p> <p>In addition, other factors may affect particular investments (i.e., interest rates, exchange rates) and consequently the value of the portfolio of Assets may fall.</p>
<p>Securities Trading risk</p>	<p>All financial products carry risk, and even trading non-complex products, such as securities, will have a degree of uncertainty. The securities markets can be volatile, which means the prices of the securities can change rapidly and be unpredictable.</p>
<p>Scheme operations</p>	<p>The Responsible Entity (including by its agents) may in its discretion do a number of things in the operation of the Scheme, without notice to Clients and in some cases without taking into consideration the specific issues, benefits or risks to each specific Client. The Responsible Entity may do this in its discretion (subject to the Account Terms and the Constitution). This includes ending arrangements for trading platforms or access to it by any Client, terminating access to any dealer, product issuer, offering or market at any time, changing (including limiting) minimum balances or restricting access to product types.</p>
<p>Regulatory risk</p>	<p>This is the risk that a government or regulator may change the laws or expectations for accessing investment opportunities, the Scheme or any other decision which affects the value of investments held in the Scheme. This includes changes that affect the product issuer, the treatment of Responsible Entity as a wholesale client for accessing OTC derivatives by a change in tax or tax administration.</p>
<p>Market risk</p>	<p>Economic, technological, political or legislative conditions and even market sentiment can (and do) change and this can mean that changes in the value of investments in markets can affect the value of investments in an Account.</p>
<p>Liquidity Risk</p>	<p>Liquidity risk is the difficulty in realising investments held in an Account. While this is not a direct risk of the Scheme, the use of the Scheme might have delays or reliance on the personnel of Responsible Entity or of its agents which add to the risk of non-performance or delays.</p>

Derivative risk	<p>A range of financial derivatives, for example foreign exchange contracts, futures and options, may be used to implement investment decisions and to manage risk in an Account in the Scheme. An investment in derivatives is a sophisticated financial product and can cause a portfolio to make gains or incur losses that are large in proportion to the money invested in them. Derivative Transactions may also involve the risk (including credit risk) that the counterparty on a Transaction will be unable to honour its financial obligation to Responsible Entity with respect to derivatives held on behalf of a Client. While Responsible Entity will be directly responsible to the issuer of the OTC derivative, Responsible Entity holds OTC derivatives referable to the Client's Account beneficially for the Client. The Client will be fully responsible to Responsible Entity for all shortfalls and other obligations rising from Responsible Entity (or eToro acting on its behalf) trading in those for the Account of the Client. The member may better manage this risk by fully understanding the OTC derivative, including by reading the disclosure documents from the issuer, as made available by Responsible Entity.</p>
Foreign exchange exposure	<p>Since the Base Currency of your Account is USD, you are responsible for the foreign currency exchange risk arising from any conversion of money to or from USD in or out of your Account. We set the current exchange rates for any conversions performed. These can differ from any other rates you think you can access.</p>
Counterparty risk	<p>This risk is the risk that a counterparty in an underlying investment does not meet its contractual obligations. This risk can be managed to some extent by choosing to deal with counterparties with superior risk profiles, based on available information and in foreseeable market conditions. You rely on Responsible Entity to interact with counterparty to investments held for your Account, but Responsible Entity does not take responsibility for guaranteeing the solvency or performance of the counterparty.</p>
Other discretion risks	<p>The Scheme vests certain discretion with Responsible Entity, including in the operational implementation of investment, adjustments following corporate actions, the timing of Transactions, and how to dispose of investments for termination of the Account.</p> <p>The timing of cash contributions may not result in investment in portfolio securities until a later rebalance occurs. This can mean a Client's Account could be adversely or profitably affected before rebalancing takes place.</p> <p>The decision to exercise discretions, or not to exercise them, can adversely or profitably affect the value of the investments in the Account and therefore also the investment returns. Investors have no recourse to Responsible Entity or eToro if discretions are properly exercised in accordance with the Account Terms, Constitution and applicable law.</p>

Section 6 - Operation of the Scheme

Minimum application

We retain the discretion to reject Applications. There is no minimum investment to the Accounts

Cooling off

There is no cooling off arrangement for the Scheme or for investments made through the Scheme. This means that you do not have the right to request a refund of the money paid to acquire an investment through the Scheme. If you change your mind after making a Transaction which is held an Account, you must close your investment, pay any Transaction costs and take the risk of incurring a loss in doing so. You can withdraw from your Account at any time any credit balance in your Account. You can at any time request (in writing) to close your Account. Your positions will be closed, then your Account will be closed and any surplus will be sent to you.

Selecting investments

We accept no liability or responsibility for any advice given to you by your financial adviser for investing through the Scheme.

After your Account is established, you send payment as per instructions available at the time. The net amount which you pay will be credited to your Account, ready for paying for investments which you choose. We may also accept your instructions to us whereby an eToro entity with whom you have an account will pay us on your behalf. You select investments and give us instructions to deal in them on the Platform.

Minimum Withdrawal Amount

The current minimum withdrawal amount is \$30.

(If your Account is closed, all of any surplus will be paid to you to satisfy your withdrawal from the Scheme.)

Our discretions

Our discretions are vested by the Constitution and are in further detail in the Account Terms. You do not have any power to direct how we exercise our discretions.

When exercising our discretions, we have a legal obligation under our Australian financial services licence to act efficiently, honestly and fairly. We may have regard to our policies and to managing all risks (including financial, credit and legal risks) for ourselves and all of our Clients, our obligations to our counterparties, market conditions and our

reputation. We will try to act reasonably in exercising our discretions, but we are not obliged to act in your best interests or to avoid or to minimise a loss in your Account.

Our significant discretions include:

- whether to accept your investment instructions;

- to vary the timing for executing your instructions (to allow for efficient Transaction execution, and manage the fairest and most efficient aggregation of Transactions across all Accounts so no Client is unfairly materially adversely disadvantaged over time);
- any suspensions, halts or limits we impose on your Account; and
- determining margin requirements for your Account (if applicable).

You should consider the significant risks that arise from Responsible Entity exercising its discretions.

Our other discretions include:

- setting our fees;
- setting foreign exchange conversion rates;
- opening and closing your Account;
- giving you a grace period for full compliance in paying by cleared funds any amount you owe; and
- interpretation, variation and application of our policies.

Reporting

Clients have online access to their Account in order to view the investments, Transaction history, and fees and charges on their Account. We will also provide any reports required by law.

Applications will only be accepted from persons who agree to receive reporting electronically.

Withdrawing your funds

You will normally be able to withdraw funds on any Business Day and requests will be complied with promptly, subject to any requirements of the law and as set out below.

All withdrawal instructions must be given to us in an approved form and content by the cut-off each Business Day.

This is normally 10:00 a.m. (Sydney time), but we can change that deadline in individual cases owing to market conditions (especially if your portfolio includes stock traded on overseas exchanges). Once you give a withdrawal

instruction, you cannot revoke the instruction unless we give our approval.

Withdrawal of funds from the Scheme can be made in cash (to your nominated bank account). If the Account is geared, there may be restrictions on withdrawals of investments, depending on the level of gearing.

To withdraw from the Scheme, all of your Account positions must be closed, then the Account is closed and the surplus is sent to you.

Method of paying withdrawn funds

Cash withdrawals will be paid using the last available payment method that you used to send funds to your Account. Any instruction to withdraw to an alternative payment method must be in writing and signed by you. We may accept it, but only after we are satisfied that the alternative payment method belongs to you.

We will try to close out or to sell your investments to pay a withdrawal request generally within the next Business Day or as soon as practicable, following our acceptance of your withdrawal request.

You generally can expect cash to be available within 10 Business Days of our receipt of a satisfactory withdrawal request. This cannot be guaranteed since there may be delays depending on liquidity of Assets, market and other factors beyond our control.

Suspension of withdrawals

In unusual circumstances, such as the closure or disruption of a relevant securities exchange, we may suspend withdrawal from Accounts for the period that these circumstances prevail.

Compliance Committee

We have established a Compliance Committee to oversee the operations of the Scheme and to monitor compliance with the Compliance Plan. The Compliance Committee is required to report breaches of the Constitution and the Corporations Act to the directors of Responsible Entity and in some circumstances to ASIC.

Monitoring your investment

You may access your Account information 24 hours a day, seven days a week through the Platform (subject to maintenance and emergency disruptions). This is a secured online service that provides access to up-to-date information about your underlying investments, including your Account balance and Transaction history.

At any time, you may request a Transaction statement for your Account that shows either all Transactions since your last regular statement or all Transactions for a specific period. We recommend that you check all statements and Transaction confirmations carefully. If there are any discrepancies, please contact us or your financial adviser.

Copies of any documents we lodge with the ASIC in relation to the Scheme may be obtained from, or inspected at, an ASIC office.

Keeping us informed

Our records about you are important. Please inform us in writing of any change to the personal details that you have given us. This may be a new email or postal address, a change of name or new bank account details. We will send you written confirmation of any changes that you request us to make to your personal details.

What happens if you choose not to disclose certain information?

If you choose not to disclose certain information, the following may apply:

- *Account details:* we will not be able to pay withdrawal proceeds or income distributions to you.
- *Tax residency information:* we may not be able to process your request, or we may be required to notify the ATO or other tax authority or to withhold amounts and pay them to meet tax withholding obligations.
- *Incomplete Application Form:* unless otherwise agreed, we will not be able to process your investment request. If you do not provide all relevant identity verification documents, we will not be able to process your investment request.

Section 7 - Reporting to Clients

Statutory reporting for the Scheme consists of electronic reports available on the Platform. Applications will only be accepted from persons who agree to receive reporting electronically.

The following reports are made available to Clients in an electronic form:

Portfolio Valuation

This is updated and available on the Platform on a daily basis, and provides you with the total market value of your portfolio.

Trading Summary

This is available online on a daily basis, and provides a summary of all Transactions.

Expense Reporting

A list of all expenses including portfolio fees, and interest if gearing has been selected.

Important: The reports mentioned above are subject to availability and, at some times Account information may be out of date pending, for example, completion of a trade, or due to a lag in the time that a change to your Account is reported electronically.

Confirmations of deposits and withdrawals

By completing the Application Form, you agree that confirmation of acceptance of deposits and withdrawals involving your Account will be provided to you electronically by means of your Account which you access online through the Platform.

Scheme financial information

A copy of the auditor's report for the Scheme will generally be available and published the website www.etoro.com.au by the end of September each year (or soon after). This report will provide consolidated information and will not contain any information particular to an individual Client's Account. Individual Accounts are not audited. We will provide a copy of this report, or an online link to it, to you by your email or other electronic address notified in your Application (or as alter advised and accepted by us).

Section 8 - Fees, charges and costs

Consumer advisory warning
DID YOU KNOW?
Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.
You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.
TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you estimate the effects of fees and costs on your investments.

This document shows fees, charges and other costs that you may be charged in respect of your Account. These fees, charges and costs may be deducted from your Account and so reduce the returns on your investments held in your Account. You should read all the information about fees and costs because it is important to understand their impact on your investments. Once again, we urge you to obtain professional financial advice regarding the features and characteristics of the Scheme and how they may impact you.

Unless otherwise stated, **all fees in this PDS are in United States dollars (USD) and are exclusive of GST.**

TYPE OF FEE OR COST FOR YOUR ACCOUNT	AMOUNT	HOW AND WHEN PAID
<i>Establishment fee</i> The fee to open your Account	Nil	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your Account	Nil	Not applicable
<i>Withdrawal fee</i> The fee for withdrawing from the Scheme (i.e., Account closure)	Nil	Not applicable
Management costs		
<i>Account Management Fee</i>	Nil	Not applicable
<i>Performance Fee</i>	Nil for an Account	Not applicable

The above table is for fees, charges and costs for having and closing your Account. **Please see below for an additional explanation of fees, charges and costs on Transactions and related services for your Account.**

Please note this is an example for illustrative purposes only. Additional fees and costs will be charged depending on the investments that you decide to invest in.

EXAMPLE	\$50,000 investment made at the beginning of the year with a contribution of \$10,000 during the year with no withdrawal	
Establishment Fee	Nil	
Contribution fee	Nil	

Withdrawal fee	Nil	
Termination fee	Nil	
PLUS		
Account Management Fee	Nil	
EQUALS Cost of Service	Nil	<p>We will not charge any fees to establish or maintain an Account in the Scheme. Separately, your Account will be impacted by other fees, charges and costs in relation to [payments and investments, depending on your investments on the Platform through the Scheme. Please refer to the 'Additional explanation of fees and costs' and the link below which provides a detailed list of applicable fees, charges and costs:</p> <p>http://www.etoro.com/en/customer-service/fees/</p>

Additional explanation of fees, charges and costs

Transactional charges

Transaction charges cover the costs of buying and selling investments in your Account, and are made up primarily of brokerage payable in respect to sale and purchase Transactions, but may also, depending on the jurisdiction in which those Transactions are effected, include Government taxes, bank charges and stamp duty (if any). These costs are incurred when Transactions are effected.

We will not charge any Transaction fee, charge or cost unless notice is given of that.

Any government tax or charge or exchange fee will be charged to your Account.

Payment withdrawal charges.

We will charge you \$5 for payments made for withdrawals from your Account. Please access the link below which provides a detailed list of the current applicable fees, charges and costs: <http://www.etoro.com/en/customer-service/fees/>

Other applicable fees, charges and costs

You may be charged (to your Account or directly to you) other applicable fees, charges and costs depending on your investments on the Platform through the Scheme. These include:

- *Payment transfer fees* – we may charge you a transfer fee if you pay money into your Account and your payment method charges us a fee, for example a payment transfer or a payment processing fee. We may

also charge a transfer fee if we return any money which comes in from a payment method that is not in your name, and we are charged a fee for returning your money. We may deduct an amount equal to that fee from the money which we are returning.

- *Conversion fees* – Since the Base Currency of your Account is USD, if we need to convert your money to or from USD in or out of your Account we may charge you a conversion fee.
- *Inactivity fees* – we may charge you a monthly inactivity fee, if there has been no investment activity on your Account for at least 12 months.

Other fees may also apply to your specific investments. For more information on the above fees and charges relating to your investments through the Scheme, and worked examples demonstrating how these fees may apply to you can be found on the website: <http://www.etoro.com/en/customer-service/fees/>.

Is Spread a fee, charge or cost?

No. The spread is the difference between the bid and ask (or the “sell and buy”) price. This is not a separate fee, charge or cost to you. The spread reflects the conditions and at the time of reporting them to you. The prices change, often quickly and with greater variation (that is, the spread can move and widen or narrow). If the price at which you sell your investment is less than the price at which you bought the investment plus taking into account any other fees, charges or costs on your payment and investment, you will lose on your investment. You should therefore consider that movements in the spread will impact the availability of any net profit when your positions are closed out.

Taxes

We may deduct applicable taxes from your Account.

Can fees and charges change?

All fees and charges can change.

The Constitution sets the maximum fees we are entitled to charge. The Constitution restricts Responsible Entity to receive and retain for its own use out of the Account an account management fee of up to a maximum of 2% of the gross asset value of the Account at the end of the month.

The fees currently applicable to your investment are set out in this PDS. Although we have the right to change our fee structure, we have no present intention to do so. If we do change our fee structure we will provide you with a minimum of 30 days’ notice of any increase. We can notify you by posting the information on our website, by email or referring to these changes in your Account.

Individual fee arrangements

We may also individually negotiate fees with investors classed as “wholesale” or “professional” investors on the basis of the value of their investments. We may also offer reduced fees to employees of Responsible Entity and its related bodies corporate. We cannot enter into individual fee arrangements with other investors.

Interest on Application Moneys

If for any reason your Application to participate in the Scheme is not immediately accepted when your application money is received, your Application money will be placed into a bank account until it is transferred to your Account.

We retain any interest paid on this bank account, even if the investment does not proceed for whatever reason, to cover the costs associated with maintaining it and for administrative convenience.

Section 9 - Taxation

Taxation law is complex, and its application will depend upon your individual circumstances. The information we provide should be used as a guide only and does not constitute professional taxation advice. We recommend that you obtain your own professional advice regarding your tax position with respect to your investment through the Scheme.

Taxation of the Scheme

The Scheme is not taxed since all investments are beneficially held by Clients directly in their separate Accounts. You have a vested and indefeasible interest in your Assets held through the Scheme.

All net income and gains (or losses) on investments and other Assets in your Account accrue directly to you. You will generally be required to include in your assessable income your income from the Scheme. There may be instances where your taxable income from the Scheme exceeds the distribution you receive from the Scheme.

Tax on Income for Australian Clients

Depending on the types of investments made, your Account can derive income in the form of dividends, interest, gains on the disposal of investments and other types of income. Generally, such income is taxable, but tax credits (for example, franking credits or foreign tax credits) may be available to offset part or all of any resulting tax liability.

If you receive franking credits your entitlement to use those credits to offset tax or obtain a refund of tax may be affected by your holding of the underlying shares which resulted in the credits. Generally speaking you must hold the relevant shares at risk for more than 45 days (90 days for preference shares) to be entitled to the credit. There are exceptions to this rule, and you should consult your tax adviser for further information.

Tax on Capital Gains for Australian Clients

The disposal of investments in your Account may give rise to a capital gain or loss. These disposals may be triggered by an investment instruction, a rebalancing of your Account, or your withdrawals from the Scheme.

Providing your Tax File Number

The Application Form requires you to quote your Tax File Number (**TFN**), TFN exemption or Australian Business Number (**ABN**). If you choose not to do so, we have to deduct tax at the highest marginal tax rate plus any relevant Government levies (including the Medicare levy) from any income we received on your behalf.

Goods and Services Tax

Goods and Services Tax (GST) may apply to the Scheme or your investment. Unless otherwise stated, all fees and costs incurred in the operation of the Scheme are quoted inclusive of any GST.

Section 10 - Responsible entity reporting requirements

The Scheme is not currently a disclosing entity as defined under the Corporations Act. If it were to become a disclosing entity during the currency of this PDS, the Scheme would be subject to additional regular reporting and

disclosure obligations. Copies of documents lodged with ASIC to comply with these requirements may be obtained from, or inspected at, an ASIC office.

You have a right to request a copy of the Scheme's half yearly financial report and any continuous disclosure notices lodged with ASIC, in addition to the annual audited financial accounts for the Scheme.

Our legal relationship with you

We hold an Australian Financial Services Licence which authorises us to operate the Scheme.

We can retire as Responsible Entity on 30 days' notice or we can be removed in accordance with the Corporations Act.

Constitution

Our responsibilities and obligations as Responsible Entity of the Scheme are governed by the Constitution, as well as the Corporations Act and general trust law.

Under the Constitution, a Client has the beneficial interest in the Assets held for their Account. The legal interest is held by us or, if we use a Custodian, our Custodian.

You may obtain a copy of the Constitution free of charge by requesting a copy from us.

The Constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Clients and us, including a provision that Clients and all persons claiming through them are bound by the terms of the Constitution.

The main provisions which relate to your rights under the Constitution include:

- your entitlement to the Assets and cash credited to your Account
- your right to withdraw from the Scheme
- your entitlements upon withdrawal or winding up of the Scheme
- your rights to attend and vote at meetings of the Scheme
- our ability to restrict you from transferring or registering security interests (such as mortgages) over your Account. There are also provisions governing our powers and duties. These provisions set out:
- the circumstances in which the Scheme can be terminated, including the termination date which is 80 years less one day after the Scheme is established unless terminated earlier. We can terminate the Scheme by giving the notice required by the Constitution. If we do, you receive the investments in your Account (or their cash equivalent) less any expenses attributable to your Account and your *pro rata* share of the Scheme expenses;
- our right to be paid by, or receive a benefit from, an incoming Responsible Entity, and not be required to account to Clients for such payment or benefit;

- when we can amend the Constitution (generally we can only amend the Constitution if we reasonably believe that the changes will not adversely affect your rights as a Client; otherwise, the Constitution can only be amended if approved by special resolution at a meeting of the Clients);
- our right to refuse to accept Applications to participate in the Scheme;
- our right to determine minimum application, withdrawal and holding amounts and powers in support of these minima;
- our ability to terminate your participation in the Scheme if you breach any terms and conditions of the eToro Constitution or your Account Terms;
- our right to deduct amounts you owe us from your Account;
- your right to give us instructions. It is important to understand that the Scheme is not an IDPS and, while we will generally seek to comply with your investment instructions, we maintain the right and power to determine which investments may be available for you to invest in on your behalf through the Scheme; and
- our broad powers including to act on properly authorised instructions, invest, and generally manage the Scheme. Our powers to credit your Account with:
 - all moneys you pay into the Scheme;
 - all other moneys and assets that we receive from you or on your behalf in relation to your Account;
 - any investments acquired on your behalf in relation to your Account; and
 - such other amounts and assets that we determine to be appropriate to credit to the Account. Our powers to debit your Account with:
 - all moneys paid out to you;
 - any moneys required to settle an investment Transaction for you;
 - any moneys required for the payment of fees, charges, expenses and taxes associated with your Account or instructions;
 - any Assets disposed of on your behalf; and
 - such other amounts as we determine to be appropriate to debit to the Account.

The Constitution provides that Responsible Entity is indemnified for all expenses and liabilities we incur in relation to your Account in the proper performance of our duties under the Constitution. All liabilities, which in our opinion are attributable to you or your Account, are to be satisfied from either or both of the following:

- from your Account; and
- from you by invoice.

The Constitution also deals with our liabilities in relation to the Scheme for example, subject to the Corporations Act:

- we are not liable to Clients for any loss provided we did not act negligently or we believed we acted in good faith in accordance with the law and the Constitution; and
- our directors and officers are not liable to a Client or any other person in connection with the office of Responsible Entity, trustee, or director or officer of Responsible Entity.

Compliance Plan

We have lodged a Compliance Plan for the Scheme with ASIC. The Compliance Plan sets out the measures we will take to ensure we comply with the Corporations Act and the Constitution for the Scheme.

To oversee compliance with the Compliance Plan, we have established a Compliance Committee. The Compliance Committee is required to report breaches of the Constitution and the Corporations Act to the directors of Responsible Entity and in some circumstances to ASIC.

The Compliance Plan may be altered from time to time in our discretion.

The Scheme and the Compliance Plan are required to be audited annually.

Other parties

Clients have a beneficial interest in the Assets held in their Account. We have engaged a Custodian to hold the legal title

to Assets of the Scheme. The Custodian will hold the assets in accordance with the standards and legal obligations which apply to it.

The Scheme has a registered company auditor. The auditor's role is to provide an audit of the financial statements of the Scheme each year, as well as performing a half-yearly review (if required), and to provide an opinion on the financial statements.

Insurance

The Responsible Entity has professional indemnity insurance in place to cover a variety of different risks, some of which may assist in the repayment of deficits arising if there is fraudulent activity by one of our employees, directors or

authorised representatives that results in your money being used in fraudulent activities.

Enquiries and disputes

If you have a query, complaint or dispute, please contact eToro Service who may be able to deal it in the first instance on your behalf.

If you have a complaint that is not, or cannot be, resolved by eToro Service, you can contact the Responsible Entity using the contact details provided in the directory section of this PDS.

Please provide us with all information relevant to the complaint that is in your possession or control. We will acknowledge receipt of the complaint as soon as practicable but in any event within 5 days of its receipt.

We will deal with any complaint and respond to you as soon as practicable and may ask you for further information that we think is necessary to enable us to properly consider the complaint. Your complaint will generally be dealt with within 45 Business Days after receiving the complaint.

If your complaint is not dealt with to your satisfaction within this timeframe, you may refer your complaint to the Australian Financial Complaints Authority (AFCA), an approved external dispute resolution scheme, of which Responsible Entity is a member.

AFCA's contact details are:

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

Anti-Money laundering

To comply with Australia's anti-money laundering and counter terrorism financing laws (**AML laws**), we will undertake appropriate identification and verification processes on Applicants for the Scheme, which may include the identification of underlying beneficial owner(s). We may delay or refuse to accept an Application (and return any money received with the Application without interest) from an Applicant who delays or fails to produce any information we request for verification purposes, or if we are concerned that the Application may breach any obligation of, or cause us to commit or participate in an offence under the AML laws – we will incur no liability to you if we do so.

Your Application Form will not be accepted or processed until all required information has been received to our satisfaction (including any additional information that may be requested) and we are satisfied all client identification procedures have been completed and our obligations under the AML laws have been complied with. We may also require you to provide additional information and identification documents to those listed in the Application Form, for example, if you nominate a foreign bank account in your Application Form. This may include, but is not limited to the following information:

- for an individual - any maiden name or former name;
- for an individual - countries of citizenship and residence;
- for an individual - occupation and employer or business activity; and
- for all types of investors - source of funds and beneficial ownership.

By applying to open an Account:

- you warrant that you are not aware and have no reason to suspect that:

- the monies used to fund your investment have been or will be derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international law or convention or by agreement as illegal activity; or
- the proceeds of your investment will be used to finance any illegal activities; and
- you warrant that you are not a 'politically exposed' person or organisation for the purposes of any AML laws; and
- you undertake that you or your agent will provide us with all additional information and assistance that we request in order to comply with our obligations under any AML laws.

Privacy

The information requested on the Application Form is used by us for the primary purpose of establishing and administering your Account. We may be unable to process your Application or operate your Account without this information. Our Privacy Policy detailing our handling of personal information is available upon request. You may request access to the information held by us about you and your investments, and we ask that you advise us of any changes to such information you may have provided.

We may disclose your information to external parties who act on our behalf in the operation of the Scheme from time to time. We may also disclose your information to external parties on your behalf, such as your financial adviser.

Our Privacy Policy can be found on <https://www.etoro.com/customer-service/privacy/> and a hard copy is available upon request. You may contact eToro Service if you wish to update or request access to your information or if you have any queries regarding our Privacy Policy.

Section 11 - How to contribute to your Account

To make an investment through the Scheme and open your Account, you must complete the Application Form which can be obtained from <https://www.etoro.com/accounts/sign-up>. Cash deposits involving your Account will be provided to you electronically by means of your Account which you access online through the Platform. Any amounts we receive prior to opening your Account will be held in our applications account and will not earn interest.

Section 12 - Glossary

\$ and **USD** means United States dollars.

ABN means the Australian Business Number.

Account means an interest in the Scheme which is the account service provided through the Scheme.

Account Terms means the terms of the agreement governing our relationship with you in relation to your account(s) held in the Scheme.

Additional Information Statement or **AID** means the statement or statements about the Platform or in relation to the Scheme which does not need to be in this PDS (including not incorporated by reference in this PDS).

AFCA means the Australian Financial Complaints Authority.

Application means the application made in the Application Form to have an Account on the Account Terms.

ASIC means the Australian Securities and Investments Commission.

Assets means any underlying investments (including, derivative financial products), income or cash contributions that are referable to a Client's Account in the Scheme.

ATO means the Australian Taxation Office.

Base Currency means the nominated currency which is US Dollars (USD) for your Account in the Scheme.

Business Day means any day (except Saturdays and Sundays) on which banks in Sydney, Australia are open for normal banking business.

Client means a member of the Scheme by reference only to the registered name of the Account, subject to any law which extends that meaning.

Compliance Plan means the compliance program of the Scheme which we are required by law to establish and to maintain.

Copy Trading means a service offered through the Scheme by which Clients instruct us to copy the trades of other Traders on the Platform. (This is not yet available.)

Corporations Act means the Corporations Act 2001 (Commonwealth).

Custodian means any custodian appointed from time to time by Responsible Entity.

CySec means the Cyprus Securities and Exchange Commission.

ETFs means exchange traded funds which are financial products.

eToro entity means any company in the eToro group.

FCA means the Financial Conduct Authority.

GST means Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999 (Commonwealth).

IDPS means an investor directed portfolio service as defined in ASIC Legislative Instrument [CO 13/373].

NAV means the net asset value of the investments held in your Account as determined in accordance with the Constitution.

OTC means "over the counter", in contrast with traded on a regulated exchange.

PDS means this Product Disclosure Statement as amended from time, including any supplementary disclosure documents.

Platform means the electronic facility provided by us to Client for Client mainly to access information about their Account, to give instructions and to facilitate payments by and to Client in relation to their Account.

Scheme or eToro Service means the registered managed investment scheme, eToro Service ARSN 637 489 466.

Securities Trading means a service offered through the Scheme where you can instruct us to trade in securities through the Platform.

TFN means the Tax File Number of an applicant or Client of the Scheme.

Transaction means any transactions or orders with respect to an underlying investment which we may execute through the Platform on your behalf in accordance with the instructions we receive from you.

USD refers to any amount denominated in US dollars.

Directory

eToro Service:

General enquiries: 1800 778 439

Email enquiries: info@etoro.com.au

Responsible Entity and Issuer Gleneagle Asset Management Limited ACN 103 162 278

AFSL No 226199

Level 27, 25 Bligh Street, Sydney NSW 2000

Email: info@gleneagle.com.au

Custodian

eToro (Europe) Ltd

4 Profiti Ilia Street, Germasogeia, Limassol, Cyprus.

Auditor of the Scheme

Lachlan Nielson Partners Pty Limited Level 18, 201 Kent Street

Sydney NSW 2000

None of the entities listed in the Directory above guarantee the repayment of capital or the performance of the eToro Service offered by this PDS.

All entities mentioned in this PDS other than Responsible Entity have given their consent (and not withdrawn it) to being mentioned in PDSs for the Scheme in relation to the context of their role.

***** END OF DOCUMENT *****