



# PRODUCT DISCLOSURE STATEMENT

## FXTRADING.com - PRODUCT DISCLOSURE STATEMENT

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Gleneagle Securities (Aust) Pty Limited trading as FXTRADING.com (FXTRADING.com)

ABN 58 136 930 526,

Australian Financial Services Licence No. 337 985

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## Section 1 - Important information about this PDS

### The Service and this PDS

This document is the FXTRADING.com Account Service Product Disclosure Statement (**PDS**) dated 20 June 2019, authorised and issued solely by Gleneagle Asset Management Limited as the Responsible Entity of the registered managed investment scheme called the “FXTRADING.com Account Service” ARSN 110 295 755 (currently with the registered name “Managed Accounts Service”).

This PDS offers interests in the FXTRADING.com Account Service ARSN 110 295 755, a scheme that is registered with the Australian Securities and Investments Commission (**ASIC**) under the Corporations Act 2001 (Commonwealth).

Gleneagle Asset Management Limited (referred to in this PDS as “Gleneagle Asset Management”, “we”, “our” or “us”) is the Responsible Entity of the registered managed investment scheme called the “FXTRADING.com Account Service” ARSN 110 295 755 (also referred to in this PDS as “the FXTRADING.com Account Service”) and the issuer of this PDS.

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

### 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 whether investing in the FXTRADING.com Account Service is appropriate for you having regard to your objectives, financial situation, needs and circumstances.

### Offers

The offer is made to investors who receive this PDS in Australia. The distribution of this PDS in jurisdictions outside Australia may be restricted by law and 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 Operator 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 a digital copy of those documents. See 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 may be in Additional Information Statement. This PDS may refer to the Additional Information Statement. The Additional Information Statement is incorporated into, and part of, this PDS.

The information in the Additional Information Statement may change between the time you receive this PDS and the time you acquire an interest in the Service (being establishment of your Account). Please ensure that you read the Additional Information Statement which is current as at the time you acquire an Account.

You should consider both this PDS and the Additional Information Statement before deciding to invest.

### **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 also later issue a supplementary PDS in respect of any changes that have a materially adverse impact on a retail client's decisions whether to invest, or to cover any special feature, such as a managed account service that is offered to members of the Service (including by providing you with an online link to those documents).

Current documents, including the PDS and the Additional Information Statement and any other general information relating to the FXTRADING.com Account Service, can be obtained free of charge at any time from the website at [www.gleneaglesecurities.com](http://www.gleneaglesecurities.com) or by contacting the Operator.

### **Not responsible**

None of Gleneagle Securities (Aust) Pty Ltd, its associates and subsidiaries (other than Gleneagle Asset Management Limited) has prepared this PDS, or is responsible for its contents.

None of Gleneagle Asset Management Limited, Gleneagle Securities (Aust) Pty Ltd, any of their associates or subsidiaries, any Program Manager or any issuer of any financial product obtained through the Service assures or guarantees the success of investments made through the FXTRADING.com Account Service or any particular Model Portfolio, or the repayment of capital or a particular rate of return, income or capital.

None of Gleneagle Asset Management Limited, Gleneagle Securities (Aust) Pty Ltd, any of its associates or subsidiaries, any Program Manager assures or guarantees the performance or any issuer of any financial product obtained through the Service including the payments due by the issuer.

## **Section 2 - Key features of the FXTRADING.com Account Service**

### **Nature of FXTRADING.com Account Service**

The FXTRADING.com Account Service (also referred to as the "Service" or the "Scheme") is a registered managed investment scheme in which each member has a separate account provided by us. The member's interest in the Scheme is their Account.

Only the member's investments are allocated to their Account. There is no pooling of investments as among members (however, members may hold a fractional investment in an investment).

There is no management of investments in each Account or any discretionary authority unless and until a separate agreement is made with the member for that. Until such separate agreements are made (at the member's choice), the member controls (that is, directs) all investment decisions on their Account.

### **Purposes of FXTRADING.com Account Service**

An Account held in the FXTRADING.com Account Service is generally similar to an account held with a financial services account provider but with the added features of being provided as a registered scheme. This means the provider, Gleneagle Asset Management Limited, in its capacity as the Responsible Entity, is subject to all of the laws, duties and features of a responsible entity for a registered managed investment scheme. This core feature should give added benefits and protections to members who hold Accounts, compared with accounts that are not registered schemes.

As an account service, the core features are holding investments for the member, arranging dealing in them, accessing investment opportunities and trading platforms and reporting on the member's Account.

Additional services and features may be available from time to time. These are in addition to the core features of an account service and so are not described in this PDS. An example is the service of providing managed investment services under specific discretionary authorities (as selected and agreed by the member). Another example is accessing investment offers that would not be available by the member directly applying for them but which is made available to the responsible entity. Another example is making available to members fractional interests in investments that would not be possible by direct investments.

As a fully regulated account service as a registered managed investment scheme, the Service is not an "investor directed portfolio service" nor is it regulated as an "IDPS" (also known as an IDPS-like scheme).

A member may be allowed to have more than one Account. Each different Account will be designated differently. Each different Account of the same member will be treated as a separate Account, that is, there will be no cross-collateralisation as among the member's several Accounts (unless the member separately, expressly agrees to that). This allows the member to have different Accounts for different purposes.

The different Accounts also allows different trading platforms to be accessed by the member. This allows flexibility and a variety of investment opportunities from time to time.

### **Members**

The member of the Scheme is the person in whose legal name the Account is registered by us.

Members who hold an Account as an intermediary for others are the only persons who may exercise their rights as members. We do not recognise as members any other person.

While we allow Account designations and multiple Accounts for the same member, and we may from time to time offer services which include trading authority and Account viewing authority to another person (such as the person for whom the member is acting), we do not recognise any such as other person as a member and we are not responsible to them other than as required by law.

Holding investments through an Account, whether directly as the member or through the investor's representative as the member, may have different features and risks that do not arise for investors directly holding their investments.

Any person who is considering whether to allow their representative to hold an Account for them should carefully consider this limitation and their representative's responsibilities to them. We are not liable to those other persons for the performance by their representative to them.

### **Appointed agents**

Gleneagle Asset Management Limited is the Responsible Entity of the FXTRADING.com Account Service. It is always ultimately responsible to you for the operation of the FXTRADING.com Account Service.

The Responsible Entity is permitted to appoint as its agent other persons to perform some of the operation of the FXTRADING.com Account Service. These include, for example, appointing one or more custodians, Program Managers or other investment managers. The Responsible Entity remains always ultimately responsible to you even if it appoints an agent for some of the operation of the Service.

The key appointments are:

- **Operator** – Gleneagle Securities oversees the operation of the Service, including the digital platforms, arranging the dealing services, arranging the financial products available to members, overseeing the administration including payments and reporting, compliance services and back office support. The Operator may in turn appoint administrators, dealers, brokers, platform providers, investment advisers, Program Managers, product issuers, banks, settlement and clearing agents, news service providers and other service providers.
- **Custodian** – The Responsible Entity appoints one or more custodians to hold all financial products in your Account. Direct holdings in financial products issued for a member may be held either in the name of the Responsible entity or the custodian. Some assets may be held by overseas custodians, or by a sub-custodian appointed by the custodian. (References to "custodian" includes references to one or more sub-custodians appointed from time to time, including those appointed by a sub-custodian.) These arrangements are part of the benefits of the Service.
- **Program Managers** may be appointed to advise on and manage a Model Portfolio on an ongoing basis. This is an additional feature which will be described in a separate Supplementary PDS from time to time.

## **Section 3 - Significant benefits**

The significant benefits of investing in the FXTRADING.com Account Service include:

Your Account is an interest in a registered managed investment scheme.

Your Account is segregated from other Accounts (though investments may be aggregated when held by any custodian).

You can access a variety of investments, trading platforms, custody services, dealing services and other financial services that might not be offered at all, or on the same terms, directly to retail clients.

Fractional investing will be available in selected investments (as approved by the Responsible Entity from time to time). For example, a single investment in an "exchange traded fund" might be too large for a single member yet the Service can allocate a fractional investment in it. While each Account is NOT pooled with other Accounts, a single investment held by fractional investments for more than one member will be held in a pooled account with a custodian on behalf

of all members who hold a fractional investment allocation (corresponding to the amount they have invested in that fractional investment). This gives more investment opportunities, and potentially earlier access to the opportunity for the member.

When available, managed portfolios allow the member to delegate investment decisions to the Responsible Entity, following a Model Portfolio chosen by the member. The Responsible Entity in turn appoints a Program Manager. The Program Manager manages the portfolio's composition. Dealings made to follow the Model Portfolio and its investment strategy may be made by the Program Manager, or by the Operator, depending on the Model Portfolio. Details of each Model Portfolio (or Program Manager's suite of Model Portfolios) will be in their own supplementary PDS.

You will have considerable flexibility in allocating your investments as among your several Accounts. This can allow you to trade separately by different Accounts, change your entire portfolio's investment allocations, have different strategies and other different features or services, yet get overall reporting across all of your Accounts. We may specify minimum Account balances or conditions from time to time, which will limit your flexibility. For example, an Account used to trade OTC derivatives might need a minimum balance, or minimum trading activity (so we can manage inactive accounts or comply with our legal duties).

You can move investments into or out of your Account at any time (subject only to daily business cut-offs and third party service suppliers, such as banks, brokers and settlement systems).

Contributions and withdrawals can be by electronic funds transfer, permitted payment gateway providers or (subject to our approval) in the form of *in specie* transfer.

Moving investments out of the FXTRADING.com Account Service does not ordinarily result in a realisation for capital gains tax purposes, unless you cease to be the beneficial owner of an investment.

## Section 4 - Significant risks

Before you make an investment decision, it is important to identify your investment objectives and the level of risk 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 Model Portfolios.
- 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 FXTRADING.com Account Service and the Model Portfolios before you apply to establish a Account within the FXTRADING.com Account Service or select any Model Portfolio.

### Scheme risk

There are risks particular to investing in the FXTRADING.com Account Service including that the FXTRADING.com Account Service could be terminated, fees and charges could change (including increases and additional fees, charges and costs), the Responsible Entity could be changed, Program Managers of Model Portfolios offered by the FXTRADING.com Account Service may be changed and those Model Portfolios could be closed or changed.

The Service is governed by the laws for registered managed investment schemes, the Constitution, each of which may be amended from time to time.

### Investing through the Scheme

Investing through your Account has benefits and risks. The significant risks include the risk that the Responsible Entity (including by its agents) does not comply with the laws, the Constitution or your permissible instructions.

Use of custodians means the investments for your Account are held in the name of the Responsible Entity or one of its custodians. 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.

Investment opportunities may be available because the Responsible Entity (or one of its custodians) is the legal owner of investments held for your Account. This includes offers only to wholesale clients (such as the Responsible Entity). 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 the Responsible Entity.

The wholesale client status of the Responsible Entity may significantly affect the terms on which financial services or

financial products are made available to the Responsible Entity. For example, shareholder and other corporate benefits available to registered shareholders might not be directly passed through to each member's Account, since the Responsible Entity (or its custodian) will be the sole registered legal owner of the investments giving rise to those shareholder benefits.

Similarly, by reason of the Responsible Entity being classed as a wholesale client, other providers of financial services or financial products may manage their services or deliver products to the Responsible Entity, without documents and client protections for retail clients, so members of the Service will only have the benefit of the 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 the 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 members of the Service, while having the benefit of the opportunity to invest indirectly (through the Service) 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.

When possible, the 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).

### **Program Managers**

There are risks in the proper monitoring of Program Managers (to ensure portfolio directions are consistent with their Model Portfolio's investment objectives and strategy) and in executing transactions and holding the FXTRADING.com Account Service's assets. Gleneagle has managed these risks by engaging Gleneagle Securities (Aust) Pty Ltd as Operator to perform management, execution and (if needed) custody services. The Responsible Entity therefore relies on Gleneagle Securities (Aust) Pty Ltd to monitor and to manage external Program Managers, execute transactions for the financial products in the FXTRADING.com Account Service's Accounts and also (if needed) for holding the investments for the Accounts. Gleneagle Securities (Aust) Pty Ltd may hold the investments as custodian or appoint sub-custodians.

Gleneagle Securities (Aust) Pty Ltd, the Operator, and custodian and as a product issuer of OTC derivatives dealt for members' Accounts, is a related body corporate of the Responsible Entity. While this brings considerable cost and administrative efficiencies to the FXTRADING.com Account Service, it also brings conflicts of interests. The Responsible Entity maintains compliance procedures to ensure conflicts of interests and duties are managed in the interests of the FXTRADING.com Account Service as a whole in accordance with the Constitution and legal requirements.

### **General risks**

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. Members could receive back less than they initially invested and there is no guarantee that they will receive any income.

### **Portfolio investment risk**

The strategy may invest in speculative investments with increased levels of investment risk. The value of the member's Account's investments in the Scheme may fall or fluctuate widely which will affect the portfolio. Changes in economic, political or market conditions or the regulatory environment may adversely impact the portfolio and its investments. In addition, other factors may affect particular investments (i.e., interest rates, exchange rates) and consequently the value of the portfolio may fall.

### **Scheme operations**

The Responsible Entity (including by its agents) may in its discretion do a number of things in the management of the Scheme (that is, the Service), without notice to members and in some cases without taking into consideration the specific issues, benefits or risks to each specific member. The Responsible Entity may do this in its discretion (subject to the terms of agreements with appointed agents) because the range of circumstances that might justify this in the interests of members is too broad to be specifically mandated in any contract. This includes ending arrangements for trading platforms or access to it by any member or their authorised representative, terminating access to any dealer, product issuer, offering or market at any time, changing (including limiting) minimum balances or restricting access to product types.

### **Regulatory risk**

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 FXTRADING.com Account Service. This includes changes that affect the product issuer, the treatment of the Responsible Entity as a

wholesale client for accessing OTC derivatives by a change in tax or tax administration.

### **Market risk**

Economic, technological, political or legislative conditions and even market sentiment can (and do) change and this can mean that changes in the value of investment markets can affect the value of investments in an Account in the FXTRADING.com Account Service.

### **Liquidity Risk**

Liquidity risk is the risk that we will have difficulty in realising investments held in an Account. While this is not a direct risk of the Service, the use of the Service might have delays or reliance on the personnel of the Responsible Entity or of its agents which add to the risk of non-performance or delays.

### **Derivative risk**

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 FXTRADING.com Account Service. 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 the Responsible Entity with respect to derivatives held on behalf of an investor. While the Responsible Entity will be directly responsible to the issuer of the OTC derivative, the Responsible Entity holds that Account's OTC derivatives beneficially for the member of the Service. The member will be fully responsible to the Responsible Entity for all shortfalls and other obligations arising from the Responsible Entity trading in those for the Account of the member. 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 the Responsible Entity.

### **Counterparty Risk**

This risk is the risk that a counterparty to a given agreement does not meet its contractual obligations. This risk can be partly managed by choosing to deal with counterparties with superior risk profiles, though it is not possible to avoid all risk of the counterparty later failing to perform its obligations. You rely on the Responsible Entity to interact with counterparty to investments held for your Account, but the Responsible Entity does not take responsibility for guaranteeing the solvency or performance of the counterparty.

### **Other discretion risks**

The FXTRADING.com Account Service vests certain discretion with the Responsible Entity, including in the operational implementation of the Model Portfolios, adjustments following corporate actions, the timing of transactions, and how to dispose of investments on termination of the Account.

The timing of cash contributions may not result in investment in portfolio securities until a later rebalance occurs. This can mean an investor's Account could be adversely or profitably affected before rebalancing takes place.

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 the Responsible Entity, the Operator for if and how any of them exercises any of their discretions except strictly as available under the law and the Constitution.

## **Section 5 - What investments are available?**

The FXTRADING.com Account Service offers access to a range of investments comprised variously of shares, securities, exchange traded derivatives, unlisted debt instruments, units in managed investment schemes, OTC derivatives such as FX and CFDS and other financial products from time to time.

We may at any time change the investments or any trading parameter for them. This might lead to having to terminate investments earlier than you planned. For example, if a government of a major traded currency announces a significant change in policy, we might consider suspending, or terminating, trading in their currency, or in OTC derivatives in relation to that currency. Similarly, we may suspend, or halt, investments which directly or indirectly relate to crypto currencies.

We also may vary the timing of execution of orders within our discretion. This is to allow for efficient order execution. We also have to manage the fairest and most efficient aggregation of orders across all Accounts so no member is unfairly materially adversely disadvantaged over time.

No representations are made about the return of capital or any particular return of income or other performance by the FXTRADING.com Account Service by us, our related parties, agents or the Program Managers.

You should consult your adviser before you make a selection of any investment.

#### **Labour standards, environmental, social and ethical considerations**

We do not take into account labour standards or ethical considerations when making available the Service and nor do we take them into consideration when executing any instruction for your investment decisions.

## **Section 6 - Operation of the FXTRADING.com Account Service**

### **Minimum application**

We retain the discretion to reject applications and a minimum investment will apply to the Accounts. Currently, the minimum is \$500,000.00 per Account.

### **Selecting investments**

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

Your initial application amount will be invested, and your Account established, in accordance with instructions made by you or on your behalf.

Generally, this will occur on the next business day on which we buy and sell financial products for the FXTRADING.com Account Service after we have received your completed application from and associated forms, your application amount and we have accepted your application. (We reserve the right to decline any application.)

### **Minimum Withdrawal Amount**

The minimum withdrawal amount is \$500.00, subject to the Accounts remaining above the minimum account balance and retaining any minimum cash balance required for a Model Portfolio.

### **Minimum Account Balance**

The minimum account balance for each Account is \$500,000.00, subject to any minimum cash balance required for a Model Portfolio.

### **Reporting**

Members have substantially continuous online access to their Account, so can see investments held for them, transaction histories and fees, and charges to their Account.

In addition, reporting for the FXTRADING.com Account Service consists of at minimum quarterly and annual reports. Applications will only be accepted from persons who agree to receive reporting electronically.

### **Your Authorised Representative**

We will only accept instructions in respect of your Account from either yourself or your Authorised Representative. When you invest in the FXTRADING.com Account Service, you may appoint an Authorised Representative to provide instructions to us on your behalf.

### **Valuing your Account**

An updated valuation of your Account will generally be available each business day. Investments will be priced at previous close of market prices.

### **Receiving income or dividends**

Income or dividends from investments held in your Account is added to your "cash holding" in your Account.

### **Withdrawing your investment**

You will normally be able to make a withdrawal 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 yourself or by your Authorised Representative by the cut-off each working 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.

Withdrawals from the FXTRADING.com Account Service can be made in cash (to your nominated bank account) or via a transfer of investments to your name, or a combination of cash and investment transfers. If the Account is geared, there may be restrictions on withdrawals of investments, depending on the level of gearing.



If a full withdrawal of all investments in your Account is requested, your investment in the FXTRADING.com Account Service will be treated as being terminated and your Account(s) will be closed, unless you have advised us, and we agree, otherwise.

### **Transfer of investments**

A withdrawal request for the transfer of investments must indicate the name and number of investments to be transferred and the account number into which they are to be transferred. Investments can only be transferred into your name.

Requests will generally be actioned within one business day of the receipt of a completed request and generally processed within 3 business days.

### **Cash withdrawals**

Cash withdrawals will be paid into a pre-nominated account in your name. Any instruction to vary this account must be in writing and signed by you. Ordinarily we cannot accept these instructions from your Authorised Representative.

If any of your investments need to be sold to pay a withdrawal request, sale of your investments in your Account will generally commence on the next business day following receipt 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 as 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 Account for the period that these circumstances prevail.

### **Compliance Committee**

We have established a Compliance Committee to oversee the operations of the FXTRADING.com Account Service. The Compliance Committee is required to report breaches of the Constitution and the Corporations Act to the directors of the Responsible Entity and in some circumstances to ASIC.

## **Section 7 - How the FXTRADING.com Account Service works**

### **How your investments are held**

All assets held within the FXTRADING.com Account Service, including those held in your Account, are held in our name as the Responsible Entity or in the name of any custodian we appoint. Each investor's cash and Account of assets and liabilities are segregated into a separate account and held separately on trust for them. Holdings may be aggregated for administrative purposes only. Your cash and other assets in your Account are always protected from other members. Records of each member's holdings are retained by us.

### **Dealing in investments**

Dealing in investments for the FXTRADING.com Account Service will be undertaken by us (or our agents). Dealings may occur on an aggregate, averaged basis across all Accounts within the FXTRADING.com Account Service to take advantage of scale and netting opportunities. All investments will be allocated to the relevant Accounts on a *pro rata* basis.

In order to minimise the amount of brokerage paid, we will generally use a single execution only broker. We may use other brokers if market conditions and stock-specific factors warrant it. The brokers may include a related entity to the Responsible Entity, but the Responsible Entity may change brokers at any time or use a number of brokers for the same overall transaction.

### **Corporate actions**

Since the Responsible Entity for the FXTRADING.com Account Service, Gleneagle (or a custodian) will receive communications relating to corporate actions affecting the investments held in your Account, we rely on your notification to us in time to implement any instructions that we are permitted to make for the corporate action.

In dealing with corporate actions, we will act in the best interests of members in the FXTRADING.com Account Service as a whole, but will not be obliged to consider any particular member nor will we be obliged in all cases without fail to act on any member's directions. Our policy regarding corporate actions affecting securities held in the FXTRADING.com Account Service is that generally:

- we will elect to receive dividends and distributions in cash, which will be credited to your cash holdings within your Account;

- 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 discussion with any Program Manager.

In certain limited circumstances, entitlement to corporate actions may be subject to externally imposed limits or caps which may result in your entitlement to participate in the corporate action through your Account's holding being less than that of an individual investor holding the same number of securities directly or it may prevent any participation at all.

## **Section 8 - Reporting to members**

Statutory reporting for the FXTRADING.com Account Service consists of quarterly and annual reports. Applications will only be accepted from persons who agree to receive reporting in the manner outlined below.

Reports for each member are also available for each Account. Key reports available include:

### **Daily Online:**

#### *Portfolio Valuation*

This is updated 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 the most recently assessed performance of your investments for the financial year to date.

Important: The above information is 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.

### **Quarterly and Annual reports:**

#### *Portfolio Report*

This gives a full valuation of your Account, listing each individual holding.

#### *Expense Reporting*

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

#### *Tax Reporting*

At the end of the financial year, you will receive a full year indicative tax summary with all the information required for your end of year tax return.

The above information is 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 applications and withdrawals**

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

### **FXTRADING.com Account Service financial information**

A copy of the auditor's report for the FXTRADING.com Account Service will generally be available and published on our web site by the end of September each year. 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 via your email or other electronic address notified in your Application.

## Section 9 - Fees, charges and costs

### 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.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a managed investment fee calculator to help you research different fee options.

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

Unless otherwise stated, all fees in this PDS are in Australian dollars and are inclusive of Goods and Services Tax (GST).

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<i>Establishment fee</i> The fee to open your investment	Nil	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	Not applicable
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	Not applicable
<i>Termination fee</i> The fee to close your investment	Nil	Not applicable
<i>Transactional and operational costs</i>	Nil	Not applicable
<b>Management costs</b>		
<i>Account Management Fee</i>	Nil	Not applicable
<i>Performance Fee</i>	Nil for an Account.	A Model Portfolio may incur a separate performance fee, which will be separately disclosed to you.

*Please note this is an example for illustrative purposes only. It may not represent the actual fees as this is dependent on the Service's performance. We do not guarantee the performance of the Service based on these examples.*

<b>EXAMPLE</b>	\$50,000 investment made at the beginning of the year with a contribution of \$10,000 during the year with no withdrawal	
<b>Establishment Fee</b>	Nil	
<b>Contribution fee</b>	Nil	
<b>Withdrawal fee</b>	Nil	
<b>Termination fee</b>	Nil	
<b>PLUS Account Management Fee</b>	Nil	
<b>EQUALS Cost of Service</b>		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$10,000 during the year, you would be charged fees of:  Nil

#### **Additional explanation of fees and costs**

##### *Taxes*

We may deduct applicable taxes from your account.

##### *Transactional and operational costs*

Transaction costs 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.

If transaction costs are incurred in relation to more than one investor's Account, they will be allocated *pro rata* across all affected Accounts. The Service is expecting to take advantage of competitive brokerage rates.

##### *Rollover /SWAP Fee*

When you buy or sell a currency, a swap or rollover fee may be paid or received on a daily basis. This is simply the interest wed/paid to maintain your position, and the amount of which will depend on the relative interest rate yield of each currency. You are essentially using the currency you have sold to fund the currency you have bought.

For example, if the overnight cash rate set by the Reserve Bank of Australia is 4.25%, you would expect AUD 100,000 dollars to earn at least at least 4.25% per annum. Or, if you are borrowing US dollars, given US official interest rates are almost zero, the cost of borrowing is a lot cheaper.

The Rollover / Swap Fee is the interest paid or earned for each day that a long or short FX Transaction is held at the end of the trading day based on the daily settlement interest rate differential of the currency pair being traded.

Each currency has an interest rate associated with it, and because FX Transactions is traded in pairs, every trade involves not only two different currencies, but their two different interest rates. If the interest rate on the currency you bought is higher than the interest rate of the currency you sold, then you will earn a rollover benefit (positive roll). If the interest rate on the currency you bought is lower than the interest rate on the currency you sold, then you will pay a rollover expense (negative roll).

This Rollover/ Swap Fee can add a significant extra cost or profit to your trade.

The amount charged or credited to your Account will be reflected daily on your statements.

##### *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 the 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.

We do not envisage that we will ever be charging uncompetitive fees.

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 and service provider arrangements*

We may pay some of the fees payable to us to dealer groups who distribute the FXTRADING.com Account Service to "wholesale clients" including "professional investors" (as defined in the Corporations Act) so that, in effect, they pay lower overall fees. This is generally because they invest very large amounts of money in the Service, which in turn provides the Service with the necessary funding to derive certain scale benefits available the Service having access to larger or more diverse assets or investments.

We may also, at our discretion, enter into a variety of arrangements with service providers such as master fund and IDPS operators which may involve us making payments to, and providing services to, these operators in return for the promotion of the Service. Such payments may be one-off payments or on-going payments based on a percentage of funds under management. These payments are paid out of our fees and are not an additional cost to the investor.

Additionally, we may provide certain persons with alternative forms of remuneration which include professional development, sponsorship and entertainment to licensed financial advisers, dealer groups and master fund or IDPS operators.

If such benefits are provided, they are payable by us and not an additional cost to you.

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 the 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 Service 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 10 - Taxation**

### **Tax features**

The taxation implications of investing in through an Account vary for each investor depending upon their circumstances and choices. We recommend you seek your own professional advice before you make any investment decisions.

Investing and dealing with investments often has tax and social security implications which can be complex, and which are invariably particular to your circumstances. The tax information set out below is a broad overview of the possible Australian income tax consequences for Australian residents who invest in long term investments on capital account through the FXTRADING.com Account Service. The taxation consequences of investing differ between investors, and it is important that you seek your own professional advice before you make investment decisions.

The tax information is current as at the date of this PDS. The levels and basis of tax may change in the future.

### **Taxation of the FXTRADING.com Account Service**

The FXTRADING.com Account Service is not taxed since all investments are beneficially held by investors directly in their separate Accounts. You have a vested and indefeasible interest in your assets held through the FXTRADING.com Account Service.

All net income and gains (or losses) on investments and other assets in your Account accrue directly to you.

### **Tax on Income**

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**

The disposal of investments in your Account may result in a capital gain or loss under the capital gains tax provisions of the Income Tax Assessment Act 1997. These disposals may be triggered by the investment decisions of a Program Manager, by your withdrawals or switching between Model Portfolios, or by rebalancing of your Account.

### **Providing your Tax File Number**

The application includes provision to quote your Tax File Number (**TFN**), Australian Business Number (**ABN**) or exemption. You may choose not to do so, however if you do not quote your TFN, ABN or exemption we may be obliged to deduct tax at the highest marginal rate plus any relevant Government levies (including the Medicare Levy) from any income received on your behalf.

### **Goods and Services Tax**

GST will be charged on or incorporated in various expenses paid by the FXTRADING.com Account Service including the fees charged for managing the Model Portfolios and administering the FXTRADING.com Account Service.

### **Tax Reporting**

Various reports are available to assist you with determining the tax status of your Account. These reports are generally available for you to view and print from the FXTRADING.com Account Service website at any time. Downloads are available for many accounting packages to assist you in the preparation of your tax return.

Tax reporting available online includes an estimate of the available tax credits in relation to your Account.

## **Section 11 - Responsible entity reporting requirements**

The FXTRADING.com Account Service 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 Product Disclosure Statement, the FXTRADING.com Account Service 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 FXTRADING.com Account Service's half yearly financial report and any continuous disclosure notices lodged with ASIC (in addition to the annual audited financial accounts referred to above).

### **The Responsible Entity's legal relationship with you**

Gleneagle Asset Management Limited is the Responsible Entity of the FXTRADING.com Account Service and holds an Australian Financial Services Licence number 226199 which authorises it to operate the FXTRADING.com Account Service.

Gleneagle Asset Management 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 the Responsible Entity of the FXTRADING.com Account Service are governed by the FXTRADING.com Account Service Constitution, as well as the Corporations Act and general trust law.

Under the FXTRADING.com Account Service Constitution, an investor has the beneficial interest in the assets held in that investor's Account. The legal interest is held by us or by the custodian appointed by us (if any).

You or your financial adviser 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 investors and us, including a provision that investors 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 FXTRADING.com Account Service
- your entitlements upon withdrawal or winding up of the FXTRADING.com Account Service
- your rights to attend and vote at meetings of the FXTRADING.com Account Service

- your ability to transfer or register security interests (such as mortgages, if accepted by us) over your account.

There are also provisions governing our powers and duties. These provisions set out:

- the circumstances in which the FXTRADING.com Account Service can be terminated, including the termination date which is 80 years less one day after the FXTRADING.com Account Service is established unless terminated earlier. We can terminate the FXTRADING.com Account Service 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 FXTRADING.com Account Service's expenses
- our right to be paid by, or receive a benefit from, an incoming Responsible Entity, and not be required to account to investors 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 an investor. Otherwise the Constitution can only be amended if approved by special resolution at a meeting of investors
- our right to refuse to accept applications to participate in the FXTRADING.com Account Service
- our right to determine minimum application, withdrawal and holding amounts and powers in support of these minimums
- our ability to terminate your participation in the FXTRADING.com Account Service if you breach any terms and conditions of the FXTRADING.com Account Service Constitution or your Account
- our right to deduct amounts you owe us from your Account
- your right to give us instructions. It is important to understand that the FXTRADING.com Account Service is not an Investor Directed Portfolio Service and, while we will generally seek to comply with your investment instructions, we maintain the ultimate discretion as to what investments are made on your behalf via the FXTRADING.com Account Service. This means that investment instructions given by you may not be actioned in some circumstances, and
- our broad powers including to act on properly authorised instructions, invest, and generally manage the FXTRADING.com Account Service

Our powers to credit your Account with:

- all moneys you pay into the FXTRADING.com Account Service;
- 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 or your Authorised Representative;
- 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 the 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 by one or both of the following:

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

The Constitution also deals with our liabilities in relation to the FXTRADING.com Account Service, for example, subject to the Corporations Act:

- we are not liable to investors 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 member or any other person in connection with the office of

Responsible Entity, trustee, or director or officer of the Responsible Entity.

### **Compliance Plan**

We have lodged a Compliance Plan for the FXTRADING.com Account Service 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 FXTRADING.com Account Service.

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 the Responsible Entity and in some circumstances to ASIC.

The Compliance Plan may be altered from time to time at the discretion of Gleneagle.

### **Auditor**

The current auditor of the FXTRADING.com Account Service is LNP Audit and Assurance, Level 14, 309 Kent Street, Sydney NSW 2000.

### **Enquiries and complaints**

If you have a query or complaint, please contact your financial adviser 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 your financial adviser, you can write to our Enquiries and Complaints Officer at

Gleneagle Asset Management Limited Attn: Compliance Manager  
Level 27, 25 Bligh St  
Sydney NSW 2000

or send it by email to [info@gleneagle.com.au](mailto:info@gleneagle.com.au).

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 Gleneagle is a member. AFCA's contact details are:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Telephone: (free call) 1800 931 678 Email: [info@afca.org.au](mailto:info@afca.org.au)

### **Anti-Money laundering**

In order to comply with current or future regulations aimed at the prevention of money laundering and counter terrorism financing, including but not limited to the laws and regulations of Australia in force from time to time (AML/CTF law), appropriate detailed identification and verification about an applicant will be required, which may include identification of underlying beneficial owner(s). We may delay or refuse to accept an application (and return any funds received with the application without interest) of a prospective 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/CTF law, and we will incur no liability to you if we do so.

Your Application 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 any other obligations under the AML/CTF law 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 where a foreign bank account to the country in which you are located is used to make applications and to receive withdrawal and cash payments. 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;
- 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 ('illegal activity'); or
  - the proceeds of your investment will be used to finance any illegal activities.
- you, your agent, or your nominated Authorised Representative will provide us with all additional information and assistance that may be requested in order to comply with our obligations under any AML/CTF law.
- you are not a 'politically exposed' person or organisation for the purposes of any AML/CTF law.

### **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 our business from time to time. We may also disclose your information to external parties on your behalf, such as your financial adviser.

We may use your information on occasion, to advise you about other services or products offered by us or by Gleneagle Securities (Aust) Pty Ltd and its related bodies corporate, but you may elect to stop receiving such information by giving us notice to that effect at any time.

You may contact our Privacy Officer on (02) 8277 6600 if you wish to update or request access to your information or if you have any queries regarding our Privacy Policy.

## **Section 12 - How to contribute to your Account**

To make an investment in the FXTRADING.com Account Service and open your Account, you must complete the Application forms as made available by contacting the Operator.

### **Cash**

Application amounts can be transferred electronically into the FXTRADING.com Account Service, or you can send a cheque with your application form made out to "Gleneagle Securities (Aust) Pty Ltd Trust A/C". Any amounts we receive prior to opening your Account will be held in our applications account and will not earn interest.

### **Transfers of investments and lending**

Alternatively, existing holdings of eligible securities and financial products may be transferred into a Gleneagle Securities account for the purpose of borrowing money to invest within the FXTRADING.com Account Service.

### **Authorisations**

By completing the Authorised Representative section on the Application Form you will be authorising us to take all instructions in relation to your Account from your Authorised Representative (generally your financial adviser) on your behalf.

Generally, all instructions to transact for an Account must be made by either yourself or on your behalf by your Authorised Representative.

## Section 13 - Glossary

\$ means Australian dollars

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

**Additional Information Statement** means the document (if any) of that name, as available from the Operator.

**Authorised Representative** a person authorised by the member (as accepted by the Responsible Entity in its discretion from time to time) to give instructions and receive details in respect to the member's Account.

**Constitution** means the constitution establishing the Scheme, a copy of which is available free on request.

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

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

**Model Portfolio** means an Account managed by a Program Manager following the investment strategy as disclosed to, and accepted by, the member.

**Operator** means Gleneagle Securities (Aust) Pty Ltd.

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

**PDS** means this product disclosure statement, including the Additional Information Statement which is current from time to time.

**Program Manager** means a person appointed to advise the Responsible Entity to manage an Account in accordance with a Model Portfolio.

**Responsible Entity** means Gleneagle Asset Management Limited ABN 29 103 162 278 Australian Financial Services Licence No 226199, as later replaced.

**Service** or **Scheme** means the registered managed investment scheme called "FXTRADING.com Account Service" ARSN 110 295 755 (currently registered with the name "Managed Accounts Service").

## Directory

### **FXTRADING.com Account Service:**

General enquiries: 1800 FXTRADING (+61 1800 398 723)

Email enquiries: [service@FXTRADING.com](mailto:service@FXTRADING.com)

### **Responsible Entity and Issuer**

Gleneagle Asset Management Limited ACN 103 162 278

AFSL No 226199

Level 27, 25 Bligh Street, Sydney NSW 2000

Tel: + 61(2) 8277 6655

Fax: +61(2) 9475 0154

Website: [www.gleneagle.com.au](http://www.gleneagle.com.au)

### **Auditor of the Scheme**

LNP Audit and Assurance

Level 14, 309 Kent Street

Sydney NSW 2000