



Professional Forex Services

PRODUCT DISCLOSURE STATEMENT

Professional Forex Services Pty Ltd (ABN 47163481472)

Australian Financial Services License No. 440947

Date 5 August 2019

1 IMPORTANT INFORMATION

1.1 This PDS

This Product Disclosure Statement(PDS) is dated 28 June 2018 and was prepared by Professional Forex Services Pty Ltd ACN: 163481472 and ABN 47163481472, Australian Financial Services License, AFSL No 440947 as the issuer of over-the-counter foreign exchange contracts (FX Transactions).

Professional Forex Services Pty Ltd also trading as **PRFX**. This PDS is designed to provide you with the information you need to determine whether the products we offer are appropriate for your needs. This PDS explains the terms and conditions, rights and obligations associated with our products and you should read this PDS in full before making any decision to transact in them.

1.2 Copies

Copies of this PDS are available free of charge. They can be downloaded from our website at www.prfx.com.au or posted to you on request by calling 03 99757500 (in Australia) or +613 99757500 (Internationally).

1.3 Disclaimer

This PDS does not constitute a recommendation, opinion or personal advice and is for general information only. The information contained in this PDS does not take into account your personal objectives, financial situation and needs. In particular, you should obtain independent financial advice to ascertain whether you should acquire any financial product described in this PDS.

1.4 Financial Amounts

All financial amounts in this PDS are expressed in Australian dollars unless otherwise stated.

1.5 Restrictions on the offer of foreign exchange products and distribution of this PDS

The distribution of this PDS and the offer and sale of foreign exchange products offered under this PDS may be restricted by law in certain jurisdictions.

Professional Forex Services Pty Ltd does not represent that this PDS may be lawfully distributed, or that any foreign exchange products may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available, or assumes any responsibility for facilitating any such distribution or offering.

In particular, no action has been taken by Professional Forex Services Pty Ltd which would permit a public offering of any foreign exchange products or distribution of this PDS in any jurisdiction where action for that purpose is required. Accordingly, no foreign exchange products may be offered or sold, directly or indirectly, and neither this PDS nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this PDS or any foreign exchange products offered under this PDS come must inform themselves about, and observe, any such restrictions. The offer to which this PDS relates is not available to USA investors.

1.6 No Independent Advice

We offer general advice about the mechanics of foreign exchange transactions and provide foreign exchange rate data, but we recommend that you carefully consider all the potential outcomes of specific foreign exchange trades and strategies before entering into any of the foreign exchange products described in this PDS – for example, you may choose to obtain independent financial advice which takes into account the particular reasons you are considering entering into the transaction with us.

Independent taxation and accounting advice should also be sought in relation to the impact of foreign exchange gains and losses in light of your particular financial situation.

1.7 Client Agreements

There are two Client Agreements under which Professional Forex Services Pty Ltd enters into the Foreign Exchange transactions contemplated by the PDS. These agreements set out the rights and obligations applicable to you and are described in this PDS. If you are considering acquiring any of the financial products offered under this PDS and you are a corporate client, you will need to read and agree to the terms set out in the Corporate Client Agreement. You are likely to be a corporate client if you are transacting on behalf of a registered company, registered association, registered cooperative or statutory body. If you are an individual who is transacting privately (for example, you may be making a purchase overseas in a foreign currency, competing overseas, living/working overseas and wanting to send money home, migrating to another country and wanting to transfer funds or investing money overseas or receiving the proceeds of an overseas investment or pension), or if you are a sole proprietor of a business, a trustee of a trust or a partner of a partnership, you will need to read and agree to the terms set out in the Individual Client Agreement.

The following is an overview of the key contractual provisions in our Client Agreements:

1. No Obligation to Accept Instructions or Process Transactions - While we will always endeavour to comply with your instructions as quickly as possible, there may be circumstances in which we are unable to do so. Therefore, we always reserve the right to refuse to accept your Instructions and to do so without giving you any reasons and without incurring any liability to you.

2. Transaction Binding - If you wish to enter into a transaction, you may do so by giving us Instructions by telephone or by email. The transaction will be legally binding on you when we receive your Instructions.
3. Cancellation - Once a transaction has become legally binding, you may not cancel the transaction in any circumstances.
4. Funds Held by Us - You acknowledge and agree that we hold your funds on trust and we place your funds into a separate bank account from our business transaction account.
5. Payment of Full Amount on Settlement - You must always pay to us the full amount of the funds you are transmitting on the due date (less any Advance Payments already made) by ELECTRONIC FUNDS TRANSFER ONLY. We do not facilitate any form of margin or speculative foreign exchange trading, so we do NOT allow you to pay or receive only the amount of any loss or profit occasioned by exchange rate fluctuations. If you want to speculate on exchange rates, our service is not for you.
6. Closing Out Transactions - If you fail to make any payment when it is due, you will be breaching your contract with us and we will Close Out the transaction you have booked. This could result in a loss to us which we will ask you to pay.
7. You must ensure that you fully understand the terms set out in the relevant Client Agreement. Both the Individual Client Agreement and the Corporate Client Agreement are incorporated by reference into this PDS. These agreements may be read on our website at www.prfx.com.au. A printed copy is available upon request to us at no charge.

If you do not understand any part of this PDS, or require further information, please contact us by telephone on 03 99757500 or by email at info@prfx.com.au

2 PROVIDER DETAILS

2.1 Our Contact Details

All of the services referred to in this PDS are provided by:

Professional Forex Services Pty Ltd (ABN47163481472)

Suites 5 & 6, 169-171 Victoria Parade,
Fitzroy Vic 3065

Telephone +61 3 99757500

Facsimile +61 3 96628071

Email info@prfx.com.au

Website www.prfx.com.au

Principal contact: Betty Lentakis

2.2 Australian Financial Services License

Professional Forex Services Pty Ltd holds an Australian Financial Services License (AFSL No. 440947).

Professional Forex Services Pty Ltd also trades as PRFX.

2.3 Our Service

Professional Forex Services Pty Ltd provides foreign currency dealing services to both corporate and individual clients who require foreign exchange for physical electronic delivery of currency. Our clients are those who receive foreign currency for payments of goods or services or those who pay away foreign currency for goods or services either of a personal nature or a commercial nature. You can instruct us to exchange your foreign currency and credit your nominated bank account or send your funds overseas either immediately or within a week.

2.4 Accessing the Service

You can access the service by telephone, online transfer request or by email. We do not accept communications by fax. In order to transact with us you will need to register via our website. When you register with us, you will be asked to agree to the terms of our Client Agreement. You may do so by clicking on the "I Agree" button on our website. Once we have verified your identity, your registration will be complete and you will be advised via email that your account is activated and you can commence to transact with us.

Once registered, if you want to transact:

1. By phone, you will need to call us on 03 99757500 and speak to one of our dealers to book your deal.
2. Online, you will need to log in with your login and password.
3. You select 'FX Quote Request' and enter the transaction details. Professional Forex Services Pty Ltd provides you with an exchange rate which you accept and submit your transfer for processing. Professional Forex Services Pty Ltd will confirm the transaction details and settlement instructions by email.
4. By email, once you have included all the details of your suppliers in your online beneficiary (payee) library OR you can send us the transaction details by email and we can have them entered into our system for you. If you book a transaction by email, the transaction will be binding on you when we process your email. You acknowledge that, if you choose to book a transaction by email, it may not be processed immediately. When we process your instructions, we will then send you an email headed "Foreign Exchange Transaction Receipt".

2.5 You can book exchange rates with us from 7am – Midnight Australian Eastern Standard Time Monday to Friday.

You can email us outside of these hours and we will action your transaction request by 7am on the following business day. Once your funds have been received by us, we will send the currency you have purchased electronically to your nominated Beneficiary Account.

2.6 Deliverable Only

In all cases, you must deliver to us the full amount of the funds you are exchanging. We simply transmit money. We do not facilitate any type of margin or leveraged foreign exchange transaction (i.e. where you are able to speculate on future exchange rate movements by putting down a deposit and trading a multiple of that deposit). We do not allow you to pay us only the amount of any loss occasioned by exchange movement and in no circumstances will we pay you any profit realised as a result of an exchange rate movement.

2.7 Information

We provide general information in relation to foreign currency transactions. You will find on our website some useful foreign exchange information and news. We can also provide you with general verbal advice about how foreign exchange transactions work. Please note however that none of the information we provide to you, either on our website, by email or over the phone, will take into account your personal financial circumstances and needs. You will always need to exercise your own judgment and should obtain independent financial advice as to the amount, type and timing of any particular transaction you enter into with us.

3. OVERVIEW

3.1 What is Foreign Exchange?

The term foreign exchange refers to the simultaneous purchase of one currency and sale of another currency at an agreed exchange rate. The exchange rate is the price at which one currency can be bought or sold in exchange for another currency. When you are comparing exchange rates offered by different providers, you need to consider both the exchange rate that is quoted and any transaction fees that may be applicable.

3.2 Exchange Rates

An exchange rate is the price of one currency expressed in terms of another currency. For example, if the current exchange rate for the Australian dollar against the US dollar is AUD/USD 0.7505, this means that an Australian dollar is equal to, or can be exchanged for 75.05 US cents.

3.3 Quotation of Exchange Rates

The foreign currency market is an over-the-counter ("OTC") market, which means that there is no official or benchmark exchange rate for foreign currencies.

Different service providers will quote different exchange rates. If you are intending to transfer your money straight away, you will want to obtain the best available exchange rate at that time.

This is often a matter of shopping around. We cannot guarantee to offer the best rate available on the day as currency markets fluctuate, but we will endeavour to be very competitive and will try to match any better rates if we cannot beat them.

3.4 Exchange Rate Fluctuation

Exchange rates fluctuate constantly and thereby give rise to risk and uncertainty.

3.5 Margin

The "Margin" refers to the difference between the rate we obtain from our own providers on the wholesale foreign exchange market, the Interbank Spot Rate and the rate we quote you. The Margin will vary from currency to currency and from time to time. We will always be able to tell you what the Margin is and you are always free to compare the exchange rate we quote you with other FX physical transaction providers to ensure that we are offering you a good rate.

3.6 Transaction Fees

We do NOT charge transaction fees for payments above AUD10,000 or currency equivalent but do charge a TT fee of AUD10.00 or currency equivalent for amounts below AUD10,000 or currency equivalent.

3.7 Counterparty risk

When you enter into a transaction with us, you are reliant on the ability of Professional Forex Services Pty Ltd to meet its obligations to you. Any moneys you place with us are held in a separate account or on trust for you. While we are required under our financial services license to maintain surplus liquid funds at all times, you will always be assuming a risk in relation to Professional Forex Services Pty Ltd' solvency. This risk is also sometimes referred to as "counterparty risk". However, we do not assume any risk in relation to exchange rate movements ourselves. To reduce your exposure to us, we enter into a hedging transaction with one of our counterparties as soon as you enter into a transaction with us. The risk for you therefore is essentially that one of our counterparties defaults. We use a number of different counterparties at any time; however, they are all Tier 1 AUSTRALIAN banks.

4 FOREIGN CURRENCY TRANSACTIONS

4.1 Exchange Rates

As a technical matter, exchange rates are generally quoted in 4 different ways depending on the time for settlement:

1. Value Today
2. Value Tomorrow (i.e. 24 hours)
3. Spot (i.e. 48 hours)
4. Forward (i.e. any time between 48 hours and 12 months).

4.2 Spot and Forward Contracts Only

We offer only Spot and Forward transactions. When you are comparing exchange rates, you need to ensure that you are comparing a Spot Rate with another Spot Rate and not with a Value Today or Value Tomorrow rate, as Value Today or Value Tomorrow rates are calculated on different days and so are not valid comparisons.

4.3 Regular Money Transfer

You may ask us to make regular payments on a weekly, monthly or quarterly basis for up to 12 months in advance. You can do so either by allowing us to apply the Spot Rate applicable at the time of each transfer.

4.4 Orders

You may place an order with us where you can enter into a spot or forward contract only when a target exchange rate nominated by you is reached net of our commission. Once your order is filled by us, you are bound to settle the transaction in accordance with the terms of our Spot or Forward Contract.

5 SPOT CONTRACTS

5.1 What is a Spot Contract?

A Spot Contract is a foreign exchange contract for buying and selling currency where the settlement date is between 1 and 2 days after the date of entering the contract.

If you want us to transmit your money immediately, then you will need to enter into a Spot Contract with us. A Spot Contract is an agreement to exchange one currency for another at an agreed exchange rate within 2 days of the transaction being booked.

For example, when you make a purchase overseas in a foreign currency, you may have to pay the purchase price straight away. In those circumstances, your only consideration will be the exchange rate at the time and we will quote you a Spot Rate (you should feel free to obtain quotes from other providers to ensure that our Spot Rate is competitive).

When you have agreed to the Spot Rate and entered into the Spot Contract with us, you will have 48 hours to pay the funds into our account and we will then remit the funds immediately to your nominated Beneficiary Account.

5.2 Variables

In a Spot Contract, there are a number of variables that need to be agreed upon, including:

1. the denomination and amount of the currency being bought;
2. the denomination and amount of the currency being sold; and
3. the exchange rate.

5.3 Settlement

A Spot Contract must be settled within 2 days of the transaction being entered into. This means that you must pay us the money you are exchanging within 2 days.

Actual receipt of the funds transferred by us into your nominated Beneficiary Account may take longer than 2 days depending on when we actually receive your funds, the destination of the funds and the intermediary banks involved.

5.4 Spot Contract Exchange Rate

The Spot Rate quoted by us will be calculated by taking into account the Interbank Spot Rate and the Margin.

5.5 Fees

The following Fees/Costs may apply to a Spot transaction and you will need to take them into account when deciding whether to enter into a Spot Contract with us:

5.6 Margin

The Margin will vary from time to time and from currency to currency. It is not a separate amount that you have to pay; rather it is built in to the exchange rate. It effectively represents our gross profit margin on each transaction. You can satisfy yourself that our Margin is reasonable by comparing the exchange rate we quote with the rates quoted by other providers. You will need to bear in mind that some providers might quote a good exchange rate, but supplement a narrow margin with high transaction fees.

5.7 Transaction Fees

We charge AUD10.00 or currency equivalent transaction fees for transfers less than AUD10,000 or currency equivalent.

5.8 Third Party Transaction Fees

We do not charge you an additional amount for third party transaction fees. They are built into our margin. There is NO correspondent bank or receiving bank fees deducted from payments made via Professional Forex Services Pty Ltd. The beneficiary's bank will receive the amount you remit in full. However, in some cases, the beneficiary may have fees deducted by their bank as part of their respective account fee structure, in which case is out of Professional Forex Services Pty Ltd's control.

5.9 Significant Benefits

The significant general benefits of entering into Spot Contracts and the other foreign exchange transactions offered under this PDS are outlined in section 6. The significant specific benefits of entering into a Spot Contract are as follows:

1. Speed and ease of transacting.
2. Certainty in relation to the exchange rate we offer you.
3. Access to real time pricing.

5.10 Significant Risks

The significant general risks of entering into Spot Contracts and the other foreign exchange transactions offered under this PDS are outlined in section 7. The significant specific risks of entering into a Spot Contract are as follows:

1. As exchange rates fluctuate quite rapidly, you may find that the rate improves very soon after you lock in a rate or that another provider is offering a slightly better rate at any particular point in time.
2. Delays are rare but they do happen; they can be caused by technical or administrative problems experienced by us or by intermediaries for reasons entirely outside our control.
3. Third Party Transaction Fees

6 FORWARD CONTRACTS

A Forward Contract is where you buy or sell one currency against another for settlement at a later date (between 2 days to a year). Where you do not have to make the payment immediately (i.e.: the purchase price payable under a contract is not payable for 2 months), you will need to consider whether to lock in the Spot Rate available now or wait for 2 months and hope that the exchange rate is equally, or more, favourable then. If you do not want to take the risk that the exchange rate is less favourable in 2 months time, you can lock in the Spot Rate either by entering into a Forward Contract which will allow you to send the money in 2 months time at the Forward Rate.

Forward Contracts are used by businesses or individuals who would like to fix the exchange rate for a future date in order for them to manage their currency exposure, manage cash flows and lock in profit margins.

6.1 Purpose of a Forward Contract

The purpose of a Forward Contract is primarily to achieve certainty and to avoid possible losses attributable to adverse exchange rate movements. A Forward Contract enables future exchange risk to be avoided, although you may still face a loss if you do not settle the Forward Contract on or before the Maturity Date.

A Forward Contract may be useful in the following circumstances:

1. importing and exporting goods where the invoice is in a foreign currency;
2. borrowing in foreign currencies;
3. investing in foreign currencies;
4. buying or selling property overseas;
5. receiving pension payments from an overseas jurisdiction; or
6. repatriating salary or interest payments received overseas.

Forward Contracts are generally used by importers, exporters and investors who seek to lock in exchange rates for a future date in order to protect their foreign currency cash flows. However, they can also be used by individuals migrating or buying property overseas.

6.2 Variables

The variables in a Forward Contract are:

1. the denomination and amount of the currency being bought;
2. the denomination and amount of the currency being sold;
3. the exchange rate; and
4. the Maturity Date.

6.3 Forward Exchange Rate

In determining the rate of exchange for a Forward Contract, there are two components:

1. the current Spot Rate; and
2. the forward rate adjustment ("Forward Points").

The Forward Rate quoted by Forex Sport will not be the same as the Spot Rate because it will take into account the interest costs in holding the money until the Maturity Date. It may be better or worse than the prevailing Spot Rate on the day depending on the difference in interest rates between the country from which the funds are sent and the country to which the funds are being received.

The calculation of Forward Points is a complicated one. It will be influenced not just by interest rates in the two relevant countries, but also by the duration of the Forward Contract and less tangible factors such as the expected direction of interest rates in the two relevant countries prior to the Maturity Date. You may find that the Forward Points change quite significantly over a short period of time as a result of developments impacting on expectations of future interest rate changes.

6.4 Forward Contract Example

The following is an example case study of how a Forward Contract works. We illustrate the benefits and the risks that can be associated with exchange rate fluctuations and Foreign Exchange Forward Contracts

Case Study 1

No Forward Contract used

On 12 April 2016, XYZ Importer Pty Ltd, an Australian company, entered into a SIGHT contract with ABC LTD in Hong Kong to buy 200000 bicycle tubes at a unit price of USD\$2.00 for a total of USD400,000.00 and for delivery on 14 June 2016. On 12 April 2016, the exchange rate was 0.7600, which means that the cost of the contract in Australian dollars was AUD526,315.79.

The Australian company decided to do nothing on 12 April 2016. When the bicycle tubes were delivered on 14 June 2016, the exchange rate was 0.7270 which means that the AUD amount payable for USD400,000.00 was AUD550,206.33.

By doing nothing on 12 April 2016 and thereby deciding to wait and see what happened to the exchange rate, the Australian company had to pay an extra AUD23890.54 than they had anticipated.

Forward Contract used

On 12 April 2016, XYZ Importer Pty Ltd, an Australian company, entered into a SIGHT contract with ABC LTD in Hong Kong to buy 200000 bicycle tubes at a unit price of USD\$2.00 for a total of USD400,000.00 and for delivery on 14 June 2016. On 12 April 2016, the exchange rate was 0.7600, which means that the cost of the contract in Australian dollars was AUD526,315.79. The importer decided lock in the rate for delivery 14 June 2016 to pay for their goods. The forward rate was calculated by deducting the 2 month forward points from the spot rate: $0.7600 \text{ less } 0.0014 \text{ forward points} = 0.7586$ exchange rate for 14 June 2016 delivery. When the bicycle tubes were delivered on 14 June 2016, the exchange rate was 0.7270 but by locking in the exchange rate on 12 April 2016, the company used their forward contract with the rate of 0.7586 to pay for their goods. XYZ Importer Pty Ltd paid AUD527,287.11 for their goods and benefited by locking in the exchange rate, saving AUD22,919.22. Had they done nothing, the goods would have cost them AUD550,206.33.

Case Study 2

No Forward Contract used

In this case study, we are assuming that XYZ Importer Pty Ltd, an Australian company entered into the same contract referred to in case study 1 on 11 January 2016, with a delivery date of 15 March 2016. At 11 January 2016, the exchange rate was 0.6950. When the bicycle tubes were delivered on 15 March 2016, the exchange rate was 0.7460.

By doing nothing in this scenario, the importer has realised a significant benefit. In this case study, the value of the contract to the company on 11 January 2016 for USD400,000.00 at 0.6950 would have been AUD575,539.57. By doing nothing until 15 March 2016, they only had to pay AUD536,193.03 (USD400,000.00 at 0.7460). The company saved AUD39,346.54.

Forward Contract used

On 11 January 2016, XYZ Importer Pty Ltd, an Australian company, entered into a SIGHT contract with ABC LTD in Hong Kong to buy 200000 bicycle tubes at a unit price of USD\$2.00 for delivery on 15 March 2016. At 11 January 2016, the exchange rate was 0.6950.

The company locked in the forward rate for delivery 15 March 2016. The forward rate was calculated by deducting the 2month forward points from the spot rate: 0.6950 less 0.0020 forward points = 0.6930 exchange rate for 15 March 2016delivery. When the bicycle tubes were delivered on 15 March 2016, the exchange rate was 0.7460.

By locking in the forward rate, XYZ Importer Pty Ltd is obligated to pay for the goods at the rate 0.6930 versus the more favourable exchange rate available on 15 March 2016 of 0.7460. In this case study, the company is paying USD400,000.00 at 0.6930 = AUD577,200.58 instead of AUD536,193.03 (USD400,000.00 at 0.7460) if they had done nothing. By locking in the exchange rate, the company has paid an extra AUD41,007.55 for the goods.

Please note: The exchange rates mentioned are not intended to be accurate and are used for the purposes of illustration only.

6.5 Variation to the Maturity Date

The Maturity Date is the date your Forward Contract expires; in other words, the date on which you are required to send to us the funds you are transmitting. When you enter into a Forward Contract, the Maturity Date will be agreed and cannot be changed without our consent.

We may, upon request but entirely at our discretion, agree to allow you to vary the Maturity Date you have booked. We may allow you to pay some or the entire amount you are transferring early at some time before the Maturity Date ("Pre-Delivery") or we may allow you to extend the Maturity Date ("Rollover"), but not for longer than 12 months from the date you entered into the transaction. If we do agree to such a variation, the Forward Points and the Exchange Rate will change.

6.6 Advance Payment

All Forward Contracts must be settled by delivery of the full amount being transferred on the Maturity Date (also referred to as the Settlement Date). This means that we must be able to sight the cleared funds in our bank account on or before the Maturity Date. When you enter into a transaction with us, we enter into a matching transaction with our own providers. If you do not settle your transaction, we still have to settle ours. In order to cover the risk that you do not settle your transaction, we ask you to pay some of the settlement payment in advance ("Advance Payment").

The amount of any Advance Payment we request will be a fixed percentage of the value of the transaction and will normally be between **5% and 10%** of the value of the transaction, but could be more depending on the duration of the Forward Contract. While the amount of any Advance Payment is at our complete discretion, as a general guide, transactions with a short term settlement date (with a Maturity Date of less than 3 months) will attract a 5% Advance Payment and long dated Forward Contracts (with a Maturity Date of 3-12 months) will incur a 10% Advance Payment. We will usually ask for an Advance Payment when you enter into a transaction, but the fact that we have not done so does not mean that we will not ask for one later if the exchange rate trends unfavourably. Equally, the fact that you have already made an Advance Payment does not mean that we will not ask for one or more additional Advance Payments if the exchange rate continues to move unfavourably.

If we have requested payment of an Advance Payment at any stage of the transaction, you must pay it promptly. We expect to receive the Advance Payment within 48 hours of the request, failing which we reserve the right to Close Out the transaction without notice and ask you to pay the full amount of any loss occasioned by us immediately.

We do not pay interest on Advance Payments.

IMPORTANT: You should not enter into a Forward Contract if you are unable or unwilling to provide an

Advance Payment of between 5% and 10% of the value of the transaction with the possibility of one or

more further Advance Payments being requested at any time prior to the Maturity Date. If we ask you to pay an Advance Payment at any time and fail to do so, we may Close Out your Forward Contract without prior notice.

6.7 Closing Out Transactions

The liability for an adverse exchange rate movement is crystallised at the commencement of the Forward Contract and not on settlement. If you want to calculate your liability to pay an Advance Payment at any point in time prior to the Maturity Date or your liability to pay a loss in the event that the contract is Closed Out, you need to consider the exchange rate at the time of closing out, because Closing Out involves entering into the same transaction in reverse and selling bought currency back

into the market. In the event that a Forward Contract is Closed Out, we will calculate, as at the closing out date, the value of the transaction using prevailing market rates chosen by us in good faith.

IMPORTANT: If there is a loss on a transaction that is Closed Out, you will be liable to compensate Forex Sport immediately upon demand for the full amount of that loss which could exceed the amount of any Advance Payment already held. In no circumstances shall Forex Sport be liable to pay to you any profit arising from the closing out of a transaction. In the case of a Regular Money Transfer, you should not fix the exchange rate in advance for each installment unless you are confident that you will need to make every payment. If, for example, you cancel your instructions after the fifth of twelve monthly payments, the other seven transactions will be closed out and you will be required to pay any loss which will be deducted from the Advance Payment.

6.8 Fees

Set out below are the payments that you will need to take into account when deciding whether to enter into a Forward Contract:

1. Advance Payment
2. Margin
3. Transaction Fees - Please note that Transaction Fees may be incurred if you are transferring funds to multiple Beneficiary Accounts; and
4. Third Party Transaction Fees

6.9 Significant Benefits

The significant general benefits of entering into Forward Contracts and the other foreign exchange transactions offered under this PDS are outlined in section 7.

The significant specific benefits of entering into a Forward Contract are as follows.

1. Cash flow certainty.
2. Protection from adverse exchange rate movements.

6.10 Significant Risks

The significant general risks of entering into Forward Contracts and the other foreign exchange transactions offered under this PDS are outlined in section 8. The significant specific risks of entering into a Forward Contract are as follows.

1. The opportunity to make financial gains as the result of favourable exchange rate movements is precluded;

if you enter into a Forward Contract, you must always settle it on the agreed terms whatever the exchange rate is on the Maturity Date.

2. If the reason for entering into the Forward Contract ceases to exist (for example, the relevant supply contract is cancelled) prior to the Maturity Date, the Forward Contract may need to be Closed Out early and that may result in a loss if the exchange rate has moved unfavourably, as you are not able to cancel the transaction or transfer your obligations to anybody else.
3. An Advance Payment may be requested of at least 5% to 10% of the value of the transaction either at the beginning of the transaction or at any time prior to the Maturity Date, so you must ensure that you have the funds available to meet any such request. If for any reason you are unable to pay the Advance Payment, we may Close Out your transaction without notice.
4. Interest will be foregone on the amount of any Advance Payment/s held by us as we do not pay any interest on funds held by us.

7 SIGNIFICANT BENEFITS OF USING OUR SERVICE

Professional Forex Services Pty Ltd's service:

1. real-time pricing, which can be accessed by telephone, email or simply by logging in and requesting a live quote;
2. highly competitive exchange rates;
3. accurate transaction records with your personal deal history accessible at any time simply by using your personal login on our website;
4. access to market research; and
5. Visibility to wholesale pricing and a completely transparent service which allows you to compare our rates against wholesale rates, your bank's or provider's rates.

8 OTHER SIGNIFICANT RISKS OF USING OUR SERVICE

Regardless of whether you purchase a Spot Contract or a Forward Contract, there are risks you must consider before you enter into any transaction with Professional Forex Services Pty Ltd.

8.1 Credit Risk

Credit risk is the risk that we will become insolvent and become unable to perform our contractual obligations to you (i.e.: remit the agreed amount of foreign currency to your Beneficiary Account at the agreed time). When you enter into a transaction with us, you are reliant on our ability to meet our obligations to you on the terms of each transaction, so you are taking a risk in relation to our solvency.

8.2 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed technological systems, internal processes or external events. We employ the latest and most sophisticated technological security measures. We also have in place physical risk reduction processes and procedures, such as locked filing cabinets and restricted access to offices and strategic risk reduction processes such as security clearances and limiting access to a "need-to-know" basis. However, there are significant risks associated with using and relying on a web-based transaction access system. Such risks include, but are not limited to, risks related to the use of software and/or telecommunications systems such as software errors and bugs, delays in telecommunications systems, interrupted service, data supply errors, faults or inaccuracies and security breaches. While we will use all reasonable efforts to ensure uninterrupted access to the website at all times, we cannot guarantee that such access will never be interrupted as a result of technical or other unforeseen problems as these are matters largely outside our control. We therefore reserve the right to suspend or terminate access to the website at any time and without prior notice and we cannot accept any liability for any loss caused by lack of access to our system or for any errors in the software and/or related information systems.

8.3 Discretionary Powers of Professional Forex Services Pty Ltd

We have a number of discretionary powers which may affect your trading activities, including the right to Close Out your transaction/s without prior notice to you. We refer you to the Client Agreement which sets out these powers and suggest that you should fully understand them before entering into a transaction. You should understand that we may refuse to enter into a transaction, or Close out any open transactions, without notice, in circumstances such as the following:

1. if you fail to make any payment when it is due, including the payment of any Advance Payment that has been requested by us;
2. if you fail to provide any material information we have requested or any
3. information you have given us is or becomes, in our opinion, materially inaccurate or misleading;
4. in the event of your death or loss of mental capacity;
5. if bankruptcy or winding up proceedings are commenced against you;
6. if the performance of our obligations under this PDS becomes illegal;
7. if a serious dispute has arisen between us; or
8. if you breach an important term of our Client Agreement or of any transaction.

You should be aware that we may be obliged to freeze or block your account if information comes to our attention that leads us to believe that it is being used in connection with money laundering or terrorist financing activities or if we are directed to do so by a regulatory authority. If this occurs, we will not be liable to you for any consequential losses whatsoever and you agree to indemnify us if we suffer loss as a result of action taken by a third party beneficiary arising from any such action we have taken in relation to your account.

8.4 Foreign Exchange Risk

Once you have entered into a Spot Contract with us, you will have locked in an exchange rate, so your transaction will not be affected by subsequent exchange rate movements; you will be protected from adverse exchange rate movements and, equally, you will be precluded from benefiting from favourable exchange rate movements. However, in deciding whether or not to enter into a Spot Contract you need to appreciate the risk of not doing so.

Foreign exchange currency markets are subject to many influences which may result in rapid currency fluctuations.

Those influences are unpredictable and often entirely unforeseen. They include such things as changes in a country's political condition, changes in the global economic climate and natural disasters, all of which may substantially affect the price or availability of a given currency.

9 APPLICABLE LAWS

9.1 Privacy

We are subject to privacy laws. By entering into a Client Agreement, you consent to us disclosing any of your Personal Information (as defined in the Privacy Act 1988 (Cth)) in accordance with our Privacy Policy which is available on our website at www.prfx.com.au.

Our Privacy Policy covers such matters as:

1. Complaints - If you have any enquiry or complaint about our Privacy Policy, you can contact our Compliance Officer at admin@prfx.com.au.
2. Access - We will, upon request and within 10 days of any such request, allow you access to your Personal Information and the requested information shall be provided or made available in a form that is generally understandable.
3. Accuracy and Currency - In circumstances where you point out to us that any information held by us is inaccurate or incomplete, we will take appropriate action to amend the information as required and, if necessary, notify any third party of the correction.
4. Collection of Information - We will collect Personal Information only for the purpose of providing our services to you or for any purpose that is directly incidental to the provision of those services; if we wish to use your Personal Information for any other purpose, we will identify such purpose and obtain your consent before doing so, unless the new purpose is required by law.

Disclosure - There may be circumstances in which Professional Forex Services Pty Ltd is obliged to disclose certain Personal Information without your consent.

Such circumstances include:

1. a serious and imminent threat to someone's life, health or safety;
2. a serious threat to public health or public safety;
3. unlawful activity has been, is being or may be, engaged in;
4. disclosure is required or authorised by law; or
5. we reasonably believe that the use or disclosure is necessary for the prevention, detection, investigation, prosecution or punishment of a criminal offence or is related to money laundering or terrorist financing activities.

9.2 AML/CTF

By entering into the Client Agreement, you undertake that you will not knowingly do anything to put us in breach of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and the associated rules and regulations ("AML/CTF Laws"). You undertake to notify us if you are aware of anything that would put us in breach of the AML/CTF Laws. We are required to comply with these laws, including the need to establish your identity (and, if relevant, the identity of other persons associated with your account). Instructions for completion of the identification process are included in the Client Agreement that you will need to complete. Additionally, from time to time, we may require further information to assist with this process.

We may be required to report information about you, or provided by you, to the relevant authorities. Generally speaking, we will be prohibited from telling you when this occurs.

You undertake that you are not aware and have no reason to suspect that:

1. the money you are intending to transfer is derived from or related to the proceeds of crime, money laundering, terrorism financing, tax evasion or similar activities ("Illegal Activities"); or
2. the funds you are transferring will fund Illegal Activities. In certain circumstances, we may not be able to transact with you or other persons associated with your account and may be obliged to delay processing a transaction, block or freeze an account where used in connection with Illegal Activities or suspected Illegal Activities. If this occurs, we are not liable to you for any consequences or losses whatsoever and you agree to indemnify us if we are found liable to a third party in connection with the freezing or blocking of your account.

10 TAX IMPLICATIONS

10.1 Independent Tax Advice

There may be tax implications associated with any transaction you enter into with us and the relevant tax rules or their interpretation may change from time to time. If there are any tax considerations, they are likely to arise from the nature or purpose of the relevant transfer of funds, rather from the fact of the transfer itself, and will therefore be different for everybody. You are therefore encouraged to seek professional tax advice prior to entering into any transaction with us.

10.2 GST

GST is not payable on the Fees we charge.

11 DISPUTE RESOLUTION PROCESS

11.1 Internal Complaints Procedure

We have an internal dispute resolution process in place to resolve any complaints you may have quickly and fairly. All complaints should be directed to our Compliance Officer who will seek to resolve your complaint within seven (7) days.

11.2 Australian Financial Complaints Authority Office

If, after 45 days, you are dissatisfied with the outcome of our internal procedure, you have the right to complain to the Australian Financial Complaints Authority who may be contacted on 1800 931 678. This is an external dispute resolution scheme. Professional Forex Services Pty Ltd membership number is 32831. You may also make a complaint via the ASIC free call Info line on 1300 300 630.

12 CHANGES TO PDS

12.1 Notification of Changes

Some of the information in this PDS may change from time to time. If any of the changes are materially adverse to the information in this document, we will issue a supplementary or replacement PDS. If the changes are not materially adverse to the information in this PDS, we will post the information on our website at www.prfx.com.au and you may request, free of charge, a paper copy of any information updated in this manner.

13 DEFINITIONS

AUD Australian Dollar.

Beneficiary Account The bank account nominated by you to which we send your funds, which could be an account in your name or an account of a third party such as a supplier or service provider.

Close Out Cancelling the transaction and selling back the currency we have bought for you when you entered into the transaction.

Currency Pair The two currencies that are the subject of the transaction.

Delivery Payment to us of the full amount of the currency you are exchanging.

Fees All fees, costs and charges associated with your transaction.

Forward Contract An agreement where one currency is sold or bought against another currency at an agreed exchange rate for settlement on a specified date in the future.

Forward Points The amount by which a Forward Rate varies from the Spot Rate as a result of the differential in interest rates between the countries of the Currency Pair.

Forward Rate The Spot Rate adjusted to a future date having regard primarily to the interest rates prevailing in the two countries in the Currency Pair.

Hedge Activity initiated in order to mitigate or reduce economic exposure to adverse price or currency movements, by taking a related offsetting or mitigating position.

Instructions A request made by you to enter into a transaction.

Interbank Spot Rate The wholesale Spot Rate that we receive from the foreign exchange interbank market, being a preferential rate given to organisations conducting large and frequent transactions.

Margin The difference between the exchange rate we pay our provider, which we access through the wholesale foreign exchange market, and the rate that we quote to you.

Maturity Date The agreed Settlement Date which may be brought forward or extended by Professional Forex Services Pty Ltd at its discretion.

PDS Product Disclosure Statement.

Privacy Policy The privacy policy can be found on our website at www.prfx.com.au

Regular Money Transfer An instruction to make payments on a weekly, monthly or quarterly basis up to 12 months in advance either by way of a series of Spot Contracts

or by way of a series of Forward Contracts.

Settlement Date The date on which the funds that are being exchanged and must be received by us.

Settlement Risk The risk we assume if you fail to settle a transaction in accordance with its terms and that a loss will be realised by us as a consequence of exchange rate fluctuations.

Spot A foreign exchange contract that must be settled within 2 days (48 hours).

Spot Contract An agreement to exchange one currency for another at an agreed exchange rate within 2 days of the transaction being booked.

Spot Rate The exchange rate for settlement within 2 business days from the date the transaction was booked.

Term The period of time between the Trade Date and the Expiry Date.

Transaction Fee A fixed fee charged on smaller transactions to cover administrative costs.

USD United States Dollar.

Value Today A foreign exchange contract that must be settled on the day it is entered into.

Value Tomorrow A foreign exchange contract that must be settled on the day after it is entered into.

We or Us Professional Forex Services Pty Ltd, ABN47163481472 and AFSL 440947, also trading as PRFX.

www.prfx.com.au