

Product Disclosure Statement

CONTRACTS FOR DIFFERENCE

IMPORTANT NOTE

Financial Services are provided by and this Product Disclosure Statement (“PDS”) has been prepared and issued by Sonray Capital Markets Pty Ltd ABN 18 104 482 993 AFSL 231151 (“Sonray”). Please note that the information contained in this PDS does not constitute a recommendation, advice or opinion and does not take into account your individual objectives, financial situation, needs or circumstances. This is an important document and should be read in its entirety. Before entering into a Sonray Contracts For Difference (“CFD”) transaction, you should obtain independent advice to ensure this is appropriate for your particular financial objectives, needs and circumstances.

Sonray does not guarantee the investment performance of CFD products nor the investment performance of the underlying markets or instruments. Past performance is no indication or guarantee of future performance.

The contents of this PDS apply to all CFD transactions. The information in this PDS is current as at 23 December 2009, and may be updated from time to time where that information is not materially adverse to clients. Updated information shall be provided on our website www.sonray.com.au. Sonray may issue a supplementary or replacement PDS as a result of certain changes, which shall be available on our website or shall be distributed in electronic form as required.

This PDS does not constitute an offer or invitation in any place outside Australia where or to any person to whom it would be unlawful to make such an offer or invitation. The distribution of this PDS (electronically or otherwise) in any jurisdiction outside Australia may be restricted by law and persons who come into possession of this PDS should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable law.

If you received this PDS electronically, we can provide a paper copy free of charge upon request. For information regarding our full range of products and services, please read our Financial Services Guide and visit our website. If you have any queries regarding this PDS, please contact Sonray.

WARNING

CFDs are considered speculative products which are highly leveraged and carry significantly greater risks than non-g geared investments, such as shares (equities). You should not invest in CFDs unless you properly understand the nature of derivative products, and are comfortable with the attendant risks. You should obtain financial, legal, taxation and other professional advice prior to entering into a CFD transaction to ensure this is appropriate for your objectives, needs and circumstances.

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1. Purpose and Contents of this PDS

This PDS is designed to provide you with important information regarding CFD transactions, including the following information:

- Who we are
- How you can contact us
- Which products we are authorised to offer or utilise
- Key features/risk/benefits of these products
- Applicable fees and charges for these products
- Any (potential) conflicts of interest we may have; and
- Our internal and external dispute resolution process.

The information in this PDS is subject to change from time to time. Where changes are material, we will issue a revised or supplementary PDS to all clients. This PDS does not constitute an offer or solicitation to anyone outside the authorised jurisdiction.

Defined terms used in this PDS are defined in the Glossary in section 30 or elsewhere in this PDS.

If you would like further information, please ask us. Further detail about our services is available on our website.

2. Name & Contact Details of Issuer/Service Provider

The Issuer/Service Provider is Sonray Capital Markets Pty Ltd ABN 18 104 482 993 AFSL 231151 (“Sonray”).

You can contact our head office by any of the means listed below:

Writing to us at: Sonray Capital Markets Pty Ltd
 Level 25
 367 Collins Street
 Melbourne VIC 3000

Calling us: (613) 9993-9700

Sending us a fax: (613) 9993-9799

Sending an email to: info@sonray.com.au

Visiting our website: www.sonray.com.au

3. Representations

Sonray does not guarantee the performance, return of capital from, or any particular rate of return, of a CFD. Clients may lose more than the amount of funds in their CFD account, and should only invest risk capital (that is, capital you can afford to lose). Please note that the historical financial performance of any CFD or underlying instrument/market is no guarantee or indicator of future performance.

The information contained in this PDS is general advice only, and does not take into account your particular financial objectives, needs and circumstances. You should obtain your own professional advice to ensure you fully understand the nature and risks of this product and determine its suitability for your situation.

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Neither this PDS nor CFDs issued by Sonray are endorsed or approved by the Australian Securities and Investments Commission (ASIC) or the Australian Stock Exchange Limited (ASX).

The use of examples in this PDS are provided for illustrative purposes only and do not necessarily reflect current or future market or product movements, the values that Sonray will apply to a trade, nor how such trades impact your personal circumstances. Any references herein to a particular company utilised in examples are merely for illustrative purposes, and should not be construed in any way as express or implied endorsement of such company.

4. Nature of Advice offered by Sonray

Sonray holds an AFSL Number 231151 and is authorised to provide the following services:

- to provide general and/or personal financial product advice in relation to, and to deal in,;
 - (i) deposit and payment products;
 - (ii) derivatives;
 - (iii) foreign exchange contracts;
 - (iv) debentures, stocks or bonds issued by a government;
 - (v) managed investment schemes including investor directed portfolio services;
 - (vi) securities; and
 - (vii) miscellaneous financial investment products limited to managed investment warrants and Managed Discretionary Account (MDA) services; and
- to make a market in derivatives; and
- to underwrite interests in managed investment schemes and issues of securities; and
- to provide certain custodial services;

to retail and wholesale clients.

Sonray is authorised to buy and sell Contracts for Difference and to give advice in relation thereto. We will only provide you with personal advice regarding CFD transactions if specifically requested and agreed, in which case a Statement of Advice will be issued to you.

In general, we provide general advice and we neither collect, nor take into consideration, information regarding your financial circumstances and needs, and we recommend that you take all reasonable steps to fully understand the outcomes of specific derivatives products and strategies adopted in relation to utilising the general information provided by Sonray. You should obtain financial, legal, taxation and other professional advice.

5. At a Glance

The following summary table of the key characteristics of our CFD product is provided for ease of reference. However, you should ensure you read this PDS in its entirety.

Issue	Summary	PDS Section reference
Who is the issuer of this PDS and the CFDs?	Sonray Capital Markets Pty Ltd	2

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<p>What is a CFD?</p>	<p>A Contract For Difference (CFD) is an over-the-counter derivative product whereby an agreement is made between a buyer and a seller to exchange the difference in value of a contract, between when the contract is entered into (opened) and when it is exited (closed). The difference is determined by reference to an underlying instrument, most commonly a share (equity), however CFDs can also be offered over indices. Trading in CFDs allows investors the benefits associated with trading an underlying instrument without having to physically own it.</p> <p>CFDs are a leveraged product, which allows the investor to gain market exposure while only outlaying part of the full notional value of the underlying instrument. However, leverage usually involves more risks than a direct investment in the underlying instrument and therefore it is important to understand that leverage can work against an investor as well as well as for an investor. Using leverage magnifies trading profits and losses.</p> <p>CFDs are subject to other payments such as interest, dividend payments (where relevant) and fees and other costs, and therefore are not always suitable as long-term investments. As each contract will incur costs (if you are long), there is a time when CFDs may become expensive. For short-term trading they have advantages, but as fees have the potential to outweigh profits, be prepared at some stage to cut the position.</p>	<p>6</p>
<p>What CFDs does Sonray offer?</p>	<p>Sonray currently offers CFDs in respect of underlying shares (equities) and indices which are traded globally.</p>	<p>9</p>
<p>What fees and charges are payable in respect of a CFD transaction?</p>	<p>You may incur the following fees and charges:</p> <ul style="list-style-type: none"> • Transaction Fees (Commissions & spread) • Administration charges • Live Data Fee (for Direct Market Access or other requests to display live data on trading platform) • Interest payments 	<p>14</p>
<p>How do I open a CFD trading account?</p>	<p>Prior to transacting in CFDs, you must read and understand our Financial Services Guide, this PDS and the Application Terms & Conditions (which will be provided to you by Sonray) detailing the applicable terms and conditions. You must complete, sign and return the Application detailing the applicable terms and conditions, and have your account approved by Sonray. Sonray reserves the right to refuse to open a CFD account for any person.</p>	<p>15,26</p>
<p>What is the minimum amount to activate a CFD trading account with Sonray?</p>	<p>AUD\$3,000</p>	<p>15</p>
<p>What is the minimum amount to maintain a CFD trading account with Sonray?</p>	<p>AUD\$1,000</p>	<p>15</p>
<p>How do I place a CFD transaction order with Sonray?</p>	<p>Sonray accepts CFD order transaction instructions in any of the following ways:</p> <ul style="list-style-type: none"> • electronically, via the online trading platform , our online trading platform; • telephone (calls will be recorded); or • in writing (including email or facsimile) however only where agreed. Orders received in writing should not be considered to have been received unless confirmed by Sonray. 	<p>17</p>
<p>What is a “long” position?</p>	<p>If you enter into a “long” CFD position, you are essentially borrowing funds to purchase/hold the underlying security because you expect the price of the underlying security to rise.</p>	<p>11</p>

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What is a “short” position?	If you enter into a “short” CFD position, you are essentially borrowing the underlying security, because you expect the price of the underlying security to fall.	11
How do I close a position?	You close a CFD position by entering into an equal and opposite transaction with Sonray.	19
Do I receive or pay interest in relation to my account balances?	<p>Should you have a credit balance in your account after all of your margin obligations have been met, Sonray may pay you interest if your balance is above \$15,000. Credit interest rates are currently LIBID/LIBOR less 2.5% for account balances between \$15,000 and \$99,999 and LIBID/LIBOR less 1.5% for account balances over \$100,000. Should you have a debit balance in your account, Sonray will charge you interest on the full amount of the debit balance. All interest payments are calculated daily and posted to your account at the end of each calendar month. Debit interest rates are currently LIBID/LIBOR plus 3.00%.</p> <p>Please note that in circumstances where the LIBID/LIBOR rate is lower than the interest rate payable on a credit balance as above, then the interest rate shall default to 0%.</p>	14.4
What is the GLV?	The gross liquidation value (GLV) is the amount of money you would have left in your account should all of your open positions be closed out at the current market price less any interest, fees or transaction charges.	14.6
What is “free equity”?	Free equity is the GLV of all the positions in your account less your margin requirement. Free equity can be used to open a new CFD position or you can simply withdraw it from your account.	14.6
What is Margin?	<p>Your Initial Margin is the amount Sonray debits from your account as soon as you open a new CFD position or place an order to open a new CFD position. This acts as collateral or a security buffer and protects us in the event of a default by you. Typically we will require an Initial Margin calculated as a percentage of the contract value.</p> <p>The Variation Margin is the unrealised profit or loss on your open position. This is the difference between the value of the product when it was bought or sold and its current market price. The current market price is the mid-point between the current bid and offer prices (if the market is open) or otherwise the mid-point of the closing bid and offer prices. Should your position move in your favour we may refund part or all of the Variation Margin to you.</p> <p>If you do not meet a Margin Call in a timely manner or within the time frame specified in the Margin Call, positions will be reduced or closed out by Sonray without further reference to you in accordance with the terms of the Application Terms & Conditions. A Margin Call will not be considered to have been met unless and until cleared funds have been received in the nominated account and Sonray has updated your account balance.</p>	14.6 14.6 and 21 14.6
How are payments made in and out of your account?	<p>You may transfer funds to us using any of the following methods:</p> <ul style="list-style-type: none"> • Bank transfer; • B-Pay®; • RTGS Bank transfer; or • Cheque. <p><i>In no circumstances do we accept cash deposits.</i></p> <p>You will only be able to withdraw moneys available to you after your Margin obligations have been met. All transfers from Sonray to you will be made to the bank account nominated in your Application.</p>	16 18

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<p>Do I pay or receive any financing charges?</p>	<p>In the event of you holding a long CFD position overnight you will be required to pay a financing charge at an interest rate. If you hold a short CFD position overnight you will be entitled to receive interest. Interest calculations are based on the total notional value of your open position, and are calculated at LIBOR or LIBID plus or minus a margin. Interest is calculated daily and debited from and credited to your account on a monthly basis. If you open and close a CFD position within one trading day, you are not subject to these credits/debits.</p> <p>You should note that if LIBID or LIBOR plus or minus the margin results in a debit as opposed to a credit, then you will pay a finance charge.</p>	<p>14.4</p>
<p>What are the key benefits of CFDs?</p>	<ul style="list-style-type: none"> • Hedging • Speculation • Market positions and strategies • Leverage 	<p>12</p>
<p>What are the key risks of CFDs?</p>	<p>Investment in CFDs carries a high level of risk and returns are volatile. They are highly geared investments and you can incur losses greater than your initial investment. You should obtain independent professional advice and carefully consider whether CFDs are appropriate for you in light of your knowledge, experience and financial needs and circumstances. Some of the key significant risks involved in CFD trading include (and should be read in detail at section 11 herein):</p> <ul style="list-style-type: none"> • Credit Risk • Operational Risk • External Market forces • Currency Risk • Loss of Margin • Gapping • Variation Margins • Leverage • Liquidity • Online trading platform risk • Stop loss orders unavailable • Powers of Sonray • Reliance on third parties • Regulatory Risk 	<p>13</p>
<p>What are the tax implications of CFD trading?</p>	<p>CFDs may have tax implications. The taxation consequences of trading in CFDs can be complex and will differ for each individual's financial circumstances. We recommend that you obtain independent taxation and accounting advice in relation to the impact of CFD transactions on your particular financial situation.</p>	<p>28</p>
<p>Sonray's powers in the event of default include the power to close out positions and terminate your account.</p>	<p>Sonray has extensive powers under the terms of the Application Terms & Conditions to take action in response to a range of default events. Sonray may terminate your account, and close out all or any of your CFD positions, including cancelling any outstanding orders. Further we may satisfy any obligation you have to Sonray out of any property, money or security belonging to you in Sonray's custody.</p>	<p>23</p>
<p>How do I obtain further information?</p>	<p>You can contact our head office by any of the means listed below:</p> <p>Sonray Capital Markets Pty Ltd Level 25 367 Collins Street Melbourne VIC 3000 Tel: (613) 9993-9700 Fax: (613) 9993-9799 Website: www.sonray.com.au Email: info@sonray.com.au</p>	<p>2</p>

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6. What is a CFD

A **CFD** is an over-the-counter derivative product comprising an agreement under which one party is entitled to be paid an amount of money (profit), or has to pay an amount of money (loss), resulting from movements in the price or value of an underlying instrument or security (without actually owning that underlying instrument or security). This transaction concludes with the parties settling the difference between the purchase price and the sale price.

During the term of the CFD transaction, the price of the underlying product will be valued daily so that at the end of each Business Day, a payment will generally have to be made by you to Sonray or by Sonray to you, to reflect any changes in the value of the underlying product during that Business Day.

The CFD is a contract between you and Sonray, which means both parties act as principals to the transaction and have a direct credit exposure to each other. You do not trade through an Exchange and are not afforded the protections normally associated with exchange-traded derivatives, such as guarantee arrangements.

CFDs do not have an expiry date. They remain open until they are closed in accordance with the terms of the Application Terms & Conditions. A CFD position can only be closed by contacting Sonray. It is not possible to close the CFD by giving instructions to another broker or Australian Financial Services Licensee. To close a CFD position, you contact Sonray, either electronically or by telephone, to determine the current market price for the underlying security/instrument, with the view to close the position (or part of it). Sonray will confirm the current market price and you will then decide whether to accept the price, and if so, you will instruct Sonray to close your open position in accordance with your instructions. The total closing value is then determined by multiplying the number of CFDs by the price of the underlying instrument or security.

Please refer to Section 24 herein for worked examples.

7. Purpose of CFD trading

People trade in CFDs for a variety of reasons. Some trade to speculate with a view to profiting from fluctuations in the price or value of the underlying security. CFD traders may not wish to buy/sell the underlying shares, but rather seek to profit from the market movements regarding those shares.

Alternatively, others trade CFDs in order to hedge their exposure to an underlying security. CFDs can be used as a risk management tool to enable those with existing share holdings to lock in an effective sale price for those shares by taking a "short" CFD position. If the price of the underlying shares held falls, the short CFD positions will wholly or partially offset their losses incurred on the physical holdings.

CFDs also enable trading on a leveraged basis i.e. you can outlay a relatively small amount (in the form of the Initial Margin) to secure a greater exposure to the underlying securities. Please note that the risk of loss from trading in derivatives and leveraged products can be substantial, and should be carefully considered in light of your specific financial objectives, needs and circumstances.

8. Sonray's position in relation to CFDs

When dealing in CFDs, as with all over-the-counter derivatives, Sonray is a market maker, not a broker.

Each transaction agreed and entered into with you will be entered into as principal, not as agent. Sonray will be making a market in its products as it will regularly state the price at which it is prepared to deal with you as principal.

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Sonray will regularly state, via the online trading platform, the price at which it is prepared to deal with you as principal. This is known as being a 'market maker'. Should you decide to transact with Sonray then Sonray will enter into a legally binding contract with you (as principal) i.e. it will be the counterparty to the transaction and each contract purchased (or sold) by you will be an individual agreement made between you and Sonray.

9. Contracts for Difference offered by Sonray

Sonray offers CFDs in relation to shares (equities), and indices. Sonray operates a 'direct market access' (DMA) model and a market made model for offering CFDs to clients.

The DMA CFD model:

DMA stands for Direct Market Access. DMA trading allows you to see the live exchange prices and have direct access to the exchange order book, meaning that you will have the possibility to affect the market prices. DMA can only be traded during the open hours of each exchange. The DMA CFD model allows the use of stop loss orders. You cannot place any limit/market orders outside of market hours. This model suits the day trader, who sits in front of their screen during the market hours and trades in and out of their positions. There is no spread in the price of the CFD i.e. if BHP is 24.20/24.22 then that is the price you will get for CFD trading as well. You participate in the after market close so long as your orders were placed before 4pm.

When you place an order for a CFD with us, it is likely that Sonray will place a corresponding order to purchase or sell the relevant product to hedge its market risk. Sonray has the discretion as to when and if it will accept an order. Without limiting this discretion, it is likely that Sonray will elect not to accept an order in circumstances where its corresponding order has not been filled. Sonray may also be unable to place a corresponding order in circumstances outside normal trading periods, or where there are corporate actions, trading halts, suspensions or de-listings affecting normal trading in the relevant product.

You will be required to sign a subscriber agreement for all markets where you trade on a DMA model. A small monthly subscription fee is required from the specific exchanges to receive live stock prices. The current list of markets varies from time to time, and the fee will vary depending on the exchange, so please ensure you contact us to obtain a current list of markets and applicable fees.

The market made CFD model:

The market made CFD model can only be traded during the open hours of the relevant exchange, and allows the use of stop loss orders. You cannot place any limit/market orders outside of market hours. The spread between the bid price and the offer price will be a combination of the natural market spread in the underlying stock market plus the commission based mark up of 0.05% i.e. if BHP is 24.20/24.22 then the price you will receive for CFD trading will be 24.25/24.17. It is important that you note that when we mark up your price, we add a digit compared to the underlying stock and round off using the usual mathematical rules for rounding. These are, below 5 you round down, 5 or above you round up. The result is that in some cases you may pay a little more in commission and in some you may pay a little less. You participate in the after market close so long as your orders were placed before the market closes for the relevant exchange.

10. Share CFDs

Sonray deals in CFDs in respect of underlying securities which are quoted and traded on the Australian Stock Exchange, as well as other global exchanges. CFDs allow you to receive many of the benefits of owning the underlying security on which the CFD is based, without physically owning it. The difference between the opening and closing price of a CFD is settled in cash. At no stage do you take delivery of the underlying security.

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CFDs are an alternative medium to short term trading solution that provide many of the benefits associated with dealing in shares, without having to physically own them. The holder of a CFD can open a leveraged “long” or “short” position without having to take or make delivery of the underlying security. In order to open a CFD position an Initial Margin must be provided as collateral.

All open positions are marked-to-market based on the price of the underlying security with profits or losses being debited or credited intra-day.

As holders of CFDs do not own the underlying security on which they are based, they have no right or obligation to acquire or deliver the security itself.

10.1 Dividends

If you hold an open long CFD position at the close of business on the day prior to the ex-dividend date to the underlying reference security, you will receive an amount equal to the ordinary cash dividend on that reference security (excluding imputation or franking credits).

Conversely, if you hold a short CFD position at the close of business on the day prior to the ex-dividend date to the underlying reference security, you will pay an amount equal to the ordinary cash dividend on that reference security (in some circumstances including imputation or franking credits).

Cash dividends are debited and credited directly to your trading account; therefore it is your responsibility to ensure that you have sufficient funds to meet such obligations when holding short positions.

10.2 Corporate Actions

Any adjustment relating to corporate actions, such as share reconstructions and bonus issues with respect to the underlying security on which the CFD is based, ordinarily will also be applied to your CFD position.

10.3 Rights relating to Adjustments – Sonray discretion

An adjustment event includes a delisting or corporate action (such as a capital reconstruction, rights or bonus issue, takeover or insolvency). In the event of an adjustment event occurring, Sonray reserves the right to adjust the terms of your CFD or order, OR not make the adjustment to the relevant CFD if it is not reasonably practicable. Sonray may elect to close your CFD position in the event of the underlying securities being subject of a take-over offer, prior to the closing date of the offer.

10.4 Voting Rights

Sonray will not pass on any voting rights we may receive in connection with Sonray holding the underlying security to which your CFD relates, and will not accept any instructions in relation to them.

11. What are “long” and “short” positions?

If you enter into a “long” CFD position it is similar to borrowing funds from Sonray to buy the underlying securities, and posting an amount of cash margin with Sonray. (You should note that the concept is only similar to borrowing, and in no way does Sonray extend to you credit, nor do you take out a loan or borrow funds from Sonray upon entering into a CFD). If you take a long position you generally profit from a rise in the underlying security’s price during the term of the CFD and you generally incur a loss if the underlying security’s price falls during the term of the CFD.

If you enter into a “short” CFD position it is similar to borrowing the underlying securities from Sonray, selling them on the market with a view to repurchasing them at a future date, and in the meantime investing the proceeds of the

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initial sale in a bank account, with a proportion of these proceeds being held as cash margin by Sonray. If you take a short position, you generally profit from a fall in the underlying security's price during the term of the CFD and you generally incur a loss if the underlying security's price rises during the term of the CFD.

12. Significant Benefits of CFDs

Potential benefits of CFDs may include the following:

- **Hedging** – You can use CFDs to hedge your exposure to a position in the underlying security.
- **Speculation** – You can use CFDs for the purposes of speculating with a view to profiting from market fluctuations, without the need to buy/sell the underlying security.
- **Market positions and strategies** – You can potentially profit (or suffer a loss) from rising or falling markets depending on your trading strategy. Common strategies employed include “pairs trading”, which is taking a position in two share CFDs to gain exposure to the relative market movements of each CFD. Certain strategies may be more complex than others and have different levels of risk associated with them.
- **Leverage** – CFDs entail a high degree of leverage, and enable you to outlay a relatively small amount of money (Initial Margin) to obtain an exposure to the underlying security. Such leverage can work against you as well as for you, and lead to large losses as well as gains.
- **No Stamp Duty** - CFDs are not subject to local Australian market taxes such as stamp duty.

13. Significant Risks of CFDs

Investment in CFDs carries a high level of risk and returns are volatile. You should obtain independent professional advice and carefully consider whether CFDs are appropriate for you in light of your knowledge, experience and financial needs and circumstances. CFD trading should not be undertaken unless you are experienced in equity derivatives trading and understand, and are comfortable with, the risks of geared investments.

This section does not detail ALL risks applicable to CFDs but rather seeks to highlight the key significant risks involved in CFD trading, which include:

- **Credit Risk** – Given you **are** dealing with Sonray as counterparty to every transaction, you will have an exposure to us in relation to each transaction. This is common to all OTC financial market products. You are subject to Sonray's credit risk. If we **were to become insolvent**, we may be unable to meet our obligations to you. Sonray enters into arrangements with third party execution and clearing providers for the facilitation of transactions and settlements, and avails monies received for margin calls and settlements to such providers for this purpose. One provider, Credit Suisse Securities (Europe) Ltd, has taken a registered fixed and floating charge over the cash/assets it holds on behalf of Sonray in respect of any outstanding payment obligations between the parties. You are reliant on Sonray's ability to meet its counterparty obligations to you to settle the relevant contract. Sonray may choose to limit this exposure by entering into opposite transactions as principal in the wholesale market in relation to its exposures with clients. In addition, Sonray must comply with the financial requirements imposed under its AFS Licence. Sonray's latest audited financial report is available, on confirmation you are a prospective client and will keep it confidential, by request to Sonray's Compliance Manager on 03 9993 9700.
- **Operational Risk** – Operational Risk is inherent in every CFD transaction, for example, disruption to Sonray's operational processes such as communications, computers, networks or external events may lead to delays in the

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execution of or settlement of a transaction. Your ability to operate your CFD trading account depends on the continued operation of our online trading platform, your internet and your personal computer. A fault or failure in any of these could cause delays in placing orders or operating your account, resulting in financial losses. Whilst we endeavour to provide 24/7 access to the trading platform, we do not accept any responsibility or liability incurred in connection with any fault, delay or failure of the trading platform or related infrastructure.

- **External market forces** – External market forces can cause markets and prices to change quickly, such forces include changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the marketplace. As the price of your CFD position is based on an underlying security these factors may affect your CFD position. Furthermore, events may cause the underlying security to be suspended from trading or have their quotation withdrawn from the Exchange on which they are traded. This may affect our ability to offer our products to you, including closing out CFDs.
- **Loss of Margin** – As CFDs are leveraged products, you could sustain a loss greater than your Initial Margin required to establish and maintain a CFD position. In addition you could be required to pay further funds representing losses and other fees on your open and closed CFD positions.
- **Investment decisions** – You are solely responsible for the selection of the underlying reference security for any orders you place with us, and as such, the performance of any investment in CFDs using your trading account will depend mainly on the your own investment decisions.
- **Gapping** - In fast moving or illiquid markets “gapping” may occur. Gapping occurs when market prices do not follow a “smooth” or continuous trend and are typically caused by external factors such as world, political, economic and corporate related events. Should gapping occur in the underlying security on which your CFD is based, you may not be able to close out your CFD position or open a new position at the price at which you have placed your order.
- **Adjustment Risk** – Where an adjustment event occurs (please refer to section 10.3 for examples), Sonray reserves the right to adjust the terms of your CFD or order, OR not make the adjustment to the relevant CFD if it is not reasonably practicable. Sonray may also elect to close your CFD position in the event of the underlying securities being subject of a take-over offer, prior to the closing date of the offer.
- **Variation Margins** - Should the price of the underlying security on which your CFD is based move against you, you may receive a Margin Call from us and, at short notice, be required to deposit a Variation Margin into your account in order to maintain your position. Should we make a Margin Call which may be substantial, you must deposit the amount of funds that we request into your account immediately. Please note that a Margin Call will not be considered to have been met unless and until cleared funds have been received by Sonray in the nominated account and processed by Sonray (generally around 10am on the following business day). In the event of you failing to make margin payments we may reduce or close all your open positions without further notice and you will be liable for any shortfall. Positions are marked-to-market on an intra-day basis, with payments being settled intra-day to account for market movements. Because CFDs are a leveraged product Sonray requires that you monitor your positions at all times.
- **Leverage** – As CFDs are highly leveraged a small price movement in the underlying security on which they are based can result in substantial profits or losses exceeding your Initial Margin. The prices of our products may be volatile and fluctuate rapidly over wide ranges. Price fluctuations may be as a result of uncontrollable events or changes in a variety of conditions such as changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

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Below is a hypothetical example of how gearing magnifies losses/profits (without taking into account fees & charges):

	Share purchase amount	CFD purchase amount
Initial outlay	\$10,000	\$10,000 (as initial margin)
Reference shares purchased	1000	10,000
Initial price	\$10.00	\$10.00
Value	\$10,000	\$100,000
Gearing	0%	90%
Share result where share price falls	Share price falls to \$8.75. Shares now worth \$8,750 (i.e. loss of \$1,250 or -12.5%)	Share price falls to \$8.75. CFDs now worth \$87,500 (i.e. loss of \$12,500 or -125% on original outlay of \$10,000)
Share result where share price rises	Shares now worth \$11,000 (i.e. profit of \$1,000 or +10%)	CFDs now worth \$110,000 (i.e. profit of \$10,000 or +100% on original outlay of \$10,000)

- **Liquidity** – Under certain conditions, it may be difficult or impossible to close out a position. This can occur when there is significant change in the price of the underlying security over a short period of time.
- **Stop Loss Orders may be unavailable** – As the markets are constantly moving 24 hours a day, you are able to place a 'stop loss' on both your market made and DMA open positions. Whilst this allows you to control potential losses should the market move against you, in most circumstances, stop loss orders may not always limit your losses the way you anticipate. There are no guarantees in relation to stop-loss orders, and due to the speed at which prices can move, they may be executed at a different price (known as Slippage) or not at all. Please refer to section 25 for further information.
- **Currency Risk** - Where transactions are denominated in a foreign currency (for example a transaction on an overseas market), Sonray may need to convert Australian dollars it receives from you into foreign currency to meet the obligations arising in respect of the transaction. Similarly, if you are resident overseas and instruct Sonray to effect a transaction denominated in Australian dollars, Sonray may need to convert the foreign currency into Australian dollars. These conversion requirements may involve the entry into foreign exchange transactions within the meaning of the Corporations Act. Sonray is authorised under its Australian Financial Services Licence to provide this service. Dealing in foreign currency related transactions can expose you to foreign exchange risks between the time the transaction is entered into and the time the relevant conversion of currencies occurs. Foreign exchange markets can change rapidly. Exchange rates depend on a number of factors including for example, interest rates, currency supply and demand and actions of government. In some situations, exchanges of currency may be suspended. There is always operational risk in a foreign exchange transaction. For example, disruptions in our operational processes such as communications, computers and computer networks, or external events may lead to delays in the execution and settlement of a transaction. You should have regard to these risks when considering transactions involving financial products described herein.

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- **Powers of Sonray** – Should you fail to pay any amounts due and payable, including Margin Calls, or maintenance of minimum account balances, Sonray have extensive powers to close out positions and realize your losses (or gains). Under the Application Terms & Conditions you also indemnify Sonray and its employees, agents and representatives against certain losses and liabilities. You should read the Application Terms & Conditions carefully to ensure you understand these powers and responsibilities. See section 23.
- **Online trading platform risk** – You shall be responsible for providing and maintaining the means by which to access the online trading platform, which may include without limitation a personal computer, modem and telephone or other access line. While the internet and the World Wide Web are generally reliable, technical problems or other conditions may delay or prevent access thereto. If you are unable to access the internet and thus, the Sonray online trading platform, it will mean you may be unable to trade in a CFD offered by Sonray when desired and you may suffer a loss as a result. Should the system be unavailable, clients may place their orders via telephone with a representative of Sonray. Furthermore, in unforeseen and extreme market situations, such as an event like September 11, or a global catastrophe, Sonray reserves the right to suspend the operation of our online trading platform or any part or sections of it. In such an event, Sonray may, at its sole discretion (with or without notice), close out your open contracts at prices it considers fair and reasonable at such a time. Please note that such measures would only be implemented in extreme market conditions, and such discretion only reasonably exercised in the best interests of the client.
- **Reliance on 3rd parties** - Data supplied by third parties, such as an Exchange, may be incorrect, delayed or become unavailable. Sonray is not responsible for the provision of those information services nor the consequences if they fail, are delayed or are incorrect.
- **Regulatory Risk** - Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in our products. Please also note that CFDs are an over-the-counter derivative – this means they are not traded on a regulated exchange or market, and cannot avail the protections usually associated with such markets.
- **Sonray Risk** – The risk of Sonray being unable to operate its CFD market as a result of a regulatory impediment such as Sonray ceasing to hold an Australian Financial Services Licence or because ASIC impose a stop order on the PDS issued by Sonray or Sonray ceasing to exist.
- **Superannuation Funds** - It should be noted that complying superannuation funds are subject to numerous guidelines and restrictions in relation to their investment activities which are contained in the Superannuation Industry Supervision Act 1993, the regulations made under that Act and associated regulatory guidance materials. Without being an exhaustive list, following are some of the issues that should be considered by a Trustee of a complying superannuation fund:
 - Restrictions on borrowing and charging assets and whether dealing in CFDs would breach those borrowing and charging restrictions;
 - The purpose of dealing in CFDs in the context of a complying superannuation fund’s investment strategy as well as the fiduciary duties and other obligations owed by Trustees of those funds;
 - The necessity for a Trustees of a complying superannuation fund to be familiar with the risk involved in dealing in CFDs and the need to have in place adequate risk management procedures to manage the risks associated in dealing in those products; and
 - The consequences of including adverse taxation consequences if a superannuation fund fails to meet the requirements for it to continue to hold complying status.

This is only a summary of the significant risks involved in trading CFDs. Sonray strongly recommends you obtain independent advice before proceeding with a transaction as a superannuation investment.

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Furthermore, we also recommend that you consider seeking independent legal advice before entering into the Application Terms & Conditions, as the terms and conditions detailed therein are important and affect your dealings with us.

14. Fees & Charges

Sonray is remunerated through the fees and commissions that we charge you and apply as follows:

Market Made - The fee charged to you for a CFD transaction traded on a market made basis comprises a commission payment and a spread. The spread is fixed at 5 basis points (0.05%), however commission charged will vary between a minimum rate of 0.10% of the gross transaction value (i.e. the leveraged amount) or AUD\$10.00 (whichever is greater) and a maximum of 0.50% of the gross transaction value (i.e. the leveraged amount) or AUD\$100 (whichever is greater). Consequently, the total fee charged to you is the sum of these components, and will vary depending on the frequency of your trading activity, the type and level of service required and the size of the transaction.

Direct Market Access— The fee charged to you for a CFD transaction traded on a DMA basis comprises of a commission payment only and will vary between a minimum rate of 0.10% of the gross transaction value (i.e. the leveraged amount) or AUD\$10.00 (whichever is greater) and a maximum of 0.50% of the gross transaction value (i.e. the leveraged amount) or AUD\$100 (whichever is greater). The fee will vary depending on the frequency of your trading activity, the type and level of service required and the size of the transaction. As live data is required for DMA trading, you will be required to pay a “live data fee” which is disclosed in section 14.3 Live Data Fee of this PDS.

Commission rates are subject to negotiation by you with Sonray prior to transacting any business.

Fees and commissions, once disclosed and agreed, will be charged to your trading account at the time your transaction is executed.

14.1 Administration Charges

Sonray reserves the right to charge fees for certain administrative services which occur in the course of your dealings with us. Administrative services to which fees are applicable are outlined in the table below.

Administrative Service	Fee (incl. GST)
Withdrawal (electronic only) – excluding closing the account	\$15.00 (for Sonray Global trading platform only)
Withdrawal (same day value)	At bank rates
Telephone Conversation Transcript	Upon request
Provision of live data feed	At exchange rates as advised from time to time

Sonray reserves the right to change any of the above administration fees applicable to CFDs. You will receive proper notification of such a change, and a supplementary or revised PDS if required.

14.2 Transaction Fees (Commissions)

The transaction fee (commission) you can expect to pay on a share CFD is based on the full notional value of your transaction and expressed as a percentage of the contract value with a fixed minimum charge, in much the same way as if you were buying shares. A transaction fee is charged as soon as a CFD position is opened or closed and debited from your account on a daily basis. Details of your transaction fees are provided on your account statements.

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Standard fees and charges applicable to share CFDs are outlined as follows: The transaction fee charged on an Australian CFD trade is between a minimum of 0.10% of the gross transaction value (i.e. the leveraged amount) or AUD\$10.00 (whichever is greater) and a maximum of 0.40% of the gross transaction value (i.e. the leveraged amount) or AUD\$75 (whichever is greater). The rate you are charged will depend on the type and level of service required and the frequency and size of transactions, and the specific market (overseas or local) to which the trade relates.

Sonray may, in its absolute discretion, reduce the transaction fee depending on your trading volume or account balance, however you should note that the commission rate will default to the highest level of commission unless otherwise negotiated.

Sonray reserves the right to change the transaction fees applicable to CFDs. You will receive proper notification of such a change, and a supplementary or revised PDS if required.

14.3 Live Data Fee

If you elect to utilise the direct market access facility OR otherwise wish to display live data on your online trading platform, you will be charged a subscription fee. For Australian share CFDs, Corporate and trustee accounts are charged the professional rate of \$45.00 plus GST per month, whilst individual accounts are charged \$37.50 plus GST per month. Your trading account is debited on a monthly basis, so you need to ensure sufficient funds remain in the account to cover these charges.

Some exchanges outside of Australia also require a fee to be paid in exchange for live data. The fee for each exchange varies. If you wish to avail this facility you should contact us or visit our website for full details.

14.4 Overnight Interest

In the event of you holding a long CFD position overnight you will be required to pay a financing charge at an interest rate. If you hold a short CFD position overnight you will be entitled to receive interest. Interest calculations are based on the total notional value of your open position, and are calculated as set out below using either LIBOR (London Interbank Offer Rate) or LIBID (London Interbank Bid Rate) plus or minus a margin. Interest is debited from and credited to your account on a daily basis.

Standard overnight interest rates applicable to share CFDs are outlined below.

Overnight Interest	
Long	Short
LIBOR +2.5%	LIBID – 2.5%

Please note that in circumstances where the LIBID/LIBOR plus or minus the margin results in a debit as opposed to a credit, then you will pay a finance charge.

Current LIBOR/LIBID rates can be obtained by contacting Sonray.

The amount of interest paid/received by Sonray will vary each day, depending upon factors such as the closing price of the underlying security on which the CFD is based, changes to holdings within your portfolio and/or changes to LIBOR or LIBID. No interest is paid or received if you open and close a position in the same trading day.

Sonray may in its absolute discretion reduce the financing rates applicable to your long and short CFD positions depending on your trading volume or account balance. Sonray reserves the right to change the financing rates applicable to CFDs. In the event thereof, you will receive proper notification of such change, and a revised PDS if required.

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14.5 Interest earned/payable on account balances

Should you have a credit balance in your account after all of your margin obligations have been met, Sonray may elect to pay you interest where your balance is \$15,000 or more. Credit interest rates are currently:

LIBID
less 2.5% for account balances \$15,000-\$99,999
less 1.5% for account balances of \$100,000 or more

Should you have a debit balance in your account, Sonray will charge you interest on the full amount of the debit balance. All interest payments are calculated daily and posted to your account at the end of each calendar month. Debit interest rates are currently LIBOR plus 3.00%.

In the event of you holding a long CFD position overnight you will be required to pay a financing charge at an interest rate as set out in section 14.4. If you hold a short CFD position overnight you will be entitled to receive interest at an interest rate as set out in section 14.4.

Interest calculations are based on the total notional value of your open position, and are calculated at the LIBOR Rate plus or minus a margin of 3.00%. Interest is calculated on a daily basis and posted to your account at the end of each calendar month.

The amount of interest paid/received by Sonray will vary each day, depending on factors such as the closing price of the underlying security on which the CFD is based, changes to holdings within your portfolio and/or changes to the LIBID or LIBOR Rate.

No interest is payable or receivable if you open and close a position within the same trading day.

Interest rates paid/debited are determined by, and can be changed at, the sole discretion of Sonray. Clients will be properly advised should such a change be implemented.

Please note that in circumstances where the LIBID/LIBOR rate is lower than the interest rate payable on a credit balance as above, then the interest rate shall default to 0%.

14.6 Margins

When dealing in CFDs with Sonray you will be required to pay Initial Margin and Variation Margin, such margins to be determined at the sole discretion of Sonray.

Your Initial Margin is the amount Sonray debits from your account as soon as you open a new CFD position or place an order to open a new CFD position. This acts as collateral or a security buffer and protects us in the event of a default by you. Typically we will require an Initial Margin calculated as a percentage of the contract value. The Initial Margin will vary depending on the type of product you trade and is determined at Sonray's discretion mostly by the liquidity of the underlying security on which the product is based. It is typically 5-25% of the contract value of the CFD but may be as high as 100% depending on the volatility of the relevant market and the liquidity of the underlying security.

The Variation Margin is the unrealised profit or loss on your open position. This is the difference between the value of the product when it was bought or sold and its current market price. The current market price is the mid-point between the current bid and offer prices (if the market is open) or otherwise the mid-point of the closing bid and offer prices, otherwise known as the 'mid-price'. Should your position move in your favour we may refund part or all of the

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Variation Margin to you. Should your position move against you, we provide you with notice of the Variation Margin by making a Margin Call by way of a pop-up screen on the trading platform?

If you do not meet a Margin Call in a timely manner (action to be taken immediately upon entering into a margin call), positions will be reduced or closed out by Sonray without further reference to you in accordance with the terms of the Application Terms & Conditions. A Margin Call will not be considered to have been met unless and until cleared funds have been received in the nominated account and Sonray has updated your account, which usually occurs at approximately 10 a.m. AEST on the next Business Day. Please note that as CFDs are a leveraged/margined product and are valued intra-day, you may continue to enter further into a margin call if your position continues to move against you. Therefore, whilst you may make every effort to meet a margin call immediately, if your position moves too far against you then Sonray may in its sole discretion decide to reduce or close your position without further reference to you, in order to limit your losses.

The gross liquidation value (GLV) is the amount of money you would have left in your account should all of your open positions be closed out at the current market price less any interest, fees or transaction charges.

Free equity is the GLV of all the positions in your account less your margin requirement. Free equity can be used to open a new CFD position or you can simply withdraw it from your account. You should note that we recommend that you invest no more than 50% of your available funds to ensure you are able to better manage your positions in a volatile market, and meet financial obligations.

Sonray reserves the right to vary the margin requirement applicable to any CFD at any time. We will advise you of the margin rates applicable to CFDs we offer on our website and online trading platform.

Once your balance falls below your margin requirements, as above, it is advisable that you place a stop loss order with us to try to avoid a deficit balance on your account. Please note that Sonray do not provide credit facilities on any accounts.

14.7 Reductions & Waivers

Sonray may in its absolute discretion reduce or waive the minimum deposit amount, the minimum account balance or interest rates on debit balances, fees (including royalties or fees for third party services) or transaction charges, for individual clients or for classes of clients, for any length of time, with or without conditions, without the issue of a supplementary or revised PDS.

14.8 Third Party Charges

The fees and charges payable by you to Sonray may differ from the fees and charges payable by Sonray to its third party service providers from time to time.

The above details all applicable fees and charges.

15. Opening a CFD Account

Prior to transacting in CFDs, you must read and understand our Financial Services Guide, this PDS and the Application Terms & Conditions (which will be provided to you by Sonray) detailing the applicable terms and conditions. You must complete, sign and return an Application Terms & Conditions, and have your account approved by Sonray. Sonray reserves the right to refuse to open a CFD account for any person.

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A minimum deposit of \$3,000 is required in order to activate your account. Once activated, a minimum balance of \$1,000 must be maintained at all times. Should your balance fall below this amount, Sonray reserves the right to reduce or close out your CFD positions.

Please note that the above amounts may be varied from time to time, however you will be notified of any such variation.

16. Funding your CFD Account

You may transfer funds to us using any of the following methods:

- Bank transfer;
- B-Pay®;
- RTGS Bank transfer; or
- Cheque.

In no circumstances do we accept cash deposits.

When transferring funds to Sonray you must ensure that the funds are appropriately referenced with your account number to enable us to easily identify your funds and apply them to your account promptly. All payments made to Sonray must be free of any withholding tax or deduction. Funds that are not appropriately referenced but are claimed by a client will require the client to provide sufficient evidence such as a bank receipt or transfer deposit in order for Sonray to identify those funds as belonging to the client. Any funds received that are not appropriately referenced and are not claimed within 30 calendar days, will be returned to the sender less any transaction or trace fees charged by Sonray's bank in the course of doing so. The client will NOT be entitled to any interest which Sonray may earn whilst holding the unallocated funds.

Sonray will only act on funds that have cleared, so we recommend that you maintain sufficient margin in your account at all times to maintain your open positions.

It may be helpful to note that cheques and payments made via B-Pay can take a number of days to clear and electronic transfers usually clear overnight, however Sonray is not in control of these time frames. Clients wishing to transfer funds immediately should contact their bank to arrange a Telegraphic Transfer (TT), which can often clear after 2 hours. It is important to note that Sonray checks for client deposits once a day and therefore if you make an urgent intra-day payment such as a TT, you will need to contact Sonray ASAP to notify us of your deposit. Failure to contact Sonray will result in your payment not being processed until the following business day.

Sonray does not accept funds transferred from third parties, so it is your obligation to ensure that all funds transferred to us are from a bank account in the same name as your trading account with Sonray. We may, in our absolute discretion, without creating an obligation to do so, return any funds transfer or cheque received from a third party back to the account from which it was transferred.

Sonray will not accept any liability or responsibility for any losses that you may suffer as a result of, or arising out of, or in connection with, us returning any transfer of moneys or cheque from a third party, including any losses incurred by you because you are subsequently in default of your obligations under the Application Terms & Conditions.

17. Client Instructions, Statements & Confirmations

Sonray accepts CFD transaction order instructions in any of the following ways:

- electronically, via the online trading platform;

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- telephone (calls will be recorded); or
- in writing (including email or facsimile, where agreed).

You are required to access the electronic trading platform on a daily basis to confirm that any order instructions have in fact been received by us, reconfirm all orders that you place with us, review order confirmations we provide, to ensure their accuracy and monitor your Margin obligations. Any order discrepancies identified must be reported to us immediately.

Sonray will provide all clients, via the electronic trading platform, with access to both daily and historical account statements allowing you to check your open positions, Margin requirements and cash balances, and trading confirmations.

Sonray will report all open positions and open orders to you via the electronic trading platform, with a daily statement providing a summary of open positions, net free credit balance, Margin requirements, cash balances, and fees and charges provided to you on a daily basis at the end of each trading day.

We encourage you to become familiar with the statements we provide to you and understand how to read key elements such as your Margin requirements, open positions and any net free credit balance. Much of this information is provided in an easy to read format in the summary section of your statement.

It is your obligation to review the terms of each deal confirmation immediately upon receipt to ensure its accuracy as it will be conclusive evidence of the executed transaction, unless you advise us within 48 hours of any disputed detail therein. Deal confirmations are provided electronically through the electronic trading platform.

When you have open orders or positions, you are required to access the Online trading platform on a daily basis as a minimum to confirm all orders that you place with us and in order to effectively monitor your margin obligations.

Should you wish, for any reason, to cancel or alter the CFD you have entered into, Sonray is under no obligation to agree to such cancellation or alteration. If Sonray does agree to cancel or alter your contract, this may be subject to payment of any expenses and/or loss incurred.

Should you have any queries relating to your statements we encourage you to contact us.

17.1 Placing an order

The Online trading platform provides you with the ability to trade online by simply selecting the CFD, quantity and price you wish to deal at and confirming the order. Our trading platform provides you with live prices, company information, news reports and a comprehensive suite of trading tools. The trading platform has a portfolio management system that allows you to monitor your open positions and manage your risk in real-time. Various statements are also accessible allowing you to view your open positions, trading history, margin requirements and cash balances.

Should you place an order via the online trading platform, you will receive instant confirmation as to the status of the order.

Orders placed via our Online trading platform will generally be accepted 24 hours a day, 7 days a week. Similarly, we will generally accept telephone orders for the products we offer, between 8.00am Monday (AEST) throughout until 6.30am Saturday (AEST). However, CFDs are tradable only during the hours which the market for the underlying security is open. **PLEASE NOTE that we strongly discourage clients to place market orders at times OUTSIDE of market hours, because orders may automatically be filled at levels which are not considered to be advantageous.**

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CFD prices at which you trade with Sonray will reflect the prices of the underlying instrument to which the CFD relates. However, the real time dealing prices provided on the online trading platform are the prices that Sonray is offering for their CFDs, and may not be the same as those in the underlying market to which the instruments relate. Sonray determines CFD prices having regard primarily to the liquidity in the underlying market.

If you are aware or suspect that your username and password to the Online trading platform is no longer confidential, you must contact us immediately.

Sonray does not accept or bear any liability whatsoever in respect of the operation of its online trading platform, except to the extent that it is caused by the fraud or dishonesty on the part of Sonray or its employees, agents or representatives. All warranties express and implied, as to the description, quality, performance or fitness for your purpose of the Online trading platform or any component of any such online trading platform are disclaimed and excluded.

It is your obligation to review any order confirmation or statement we send to you immediately to ensure its accuracy and report any discrepancies that you may have to us. Order confirmations can be viewed electronically through the Online trading platform and from your daily statements.

18. Withdrawing your funds

You may withdraw funds from your account by sending us a signed withdrawal request by fax or post or via an email sent from your nominated email address, outlining your account details and the amount you wish to withdraw. Funds will only be paid to the bank account which you have nominated in your Application and will not be paid to the account of a third party.

You will only be able to withdraw moneys available to you after your Margin obligations have been met. Moneys which you are able to withdraw are designated as free equity on your account statement, some of which may be as a result of non-cash collateral lodged with Sonray. Additional fees and charges including interest may be deducted from this amount when paid to you. We may also require that you leave a minimum balance in your account should you wish to keep it open.

19. Opening & Closing CFD Positions

You can open both long and short CFD positions with Sonray. Should you open a long position, your intention would be to profit from a rise in the price of the underlying security, and you would suffer a loss should the price of the underlying security fall. Conversely, should you open a short position, your intention would be to profit from a fall in the price of the underlying security, and you would suffer a loss should the price of the underlying security rise.

In order to close an open long or short CFD position, you would open an equivalent offsetting position. The closure of a position will generally result in a profit or loss being realised in your Account. Should you wish to close only part of your open long or short position you can do so by entering into an equivalent offsetting position of a lesser amount than your current open position.

You should note that Sonray is not obliged to accept your orders. Typically this would occur should you exceed the limits imposed on your account by Sonray, or where there are insufficient funds in your account to meet your margin obligations.

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On the day that the CFD is closed, Sonray will calculate the remaining payment rights and obligations to reflect movements in the contract value since the previous business close (including interest and other credits/debits). The determination of the closing value may be affected by certain events described below:

- Sonray will determine the closing price if the CFD is over shares in a company which becomes externally administered. The CFD is taken to be closed at that time. Should this happen, Sonray will determine the closing price. In such a situation Sonray also reserves the right to adjust the margin.
- We may elect to close the CFD and/or call for additional Margin, as determined by Sonray if the CFD is over shares which cease to be quoted on the Exchange on which they were quoted when the CFD was entered into or are suspended from quotation for 5 consecutive Business Days.

20. Trading Halts, Suspensions and Delistings

An underlying security may be placed in a trading halt on the relevant Exchange in various circumstances. Additionally, a security may be suspended or delisted in certain circumstances. Sonray may, in its absolute discretion, cancel your order in respect of a CFD transaction which has not yet been opened, or close any open CFD, where the underlying security is the subject of a trading halt, suspension or delisting. If the CFD is over a security which ceases to be quoted on the Exchange or is suspended from quotation for 5 consecutive Business Days on that Exchange, Sonray may elect to close the CFD.

Sonray may at any time determine, in its absolute discretion, that it will not permit the entry into CFDs over one or more underlying securities.

21. Daily Settlement of Differences

Following the close of business on each Business Day during the term of a CFD, Sonray will determine the contract value of the CFD that will apply as at close of business, ordinarily based on the mid-point of the closing bid and offer prices quoted by the relevant exchange.

Example: BHP's last trading price is \$40.34 with the following closing bid and offer:

<i>Bid</i>	<i>Offer</i>
<i>40.30</i>	<i>40.34</i>

The mid-point is 50% of the difference between the closing bid and offer, either added to the bid or taken away from the offer. In the above example, the mid-point would be calculated as:

$$40.34 - 40.30 = 0.04$$

$$0.04 / 2 = 0.02 \text{ (50\% of the difference)}$$

$$0.02 + 40.30 = 40.32$$

Therefore, the closing price would be 40.32.

Where the share is suspended or halted by the relevant exchange, the CFD position will be valued and a closing price will be determined by Sonray. If the contract value at the close of business is, in monetary terms, greater than the contract value determined for the previous day, and you hold a "short" position in the CFD, you will pay the difference to Sonray. Conversely, if the new contract value in monetary terms is less than the previous contract value, Sonray will pay you the difference.

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Should the value of your CFD position at the Close of Business be greater than the value determined on the previous day, and you hold a “short” position in the CFD, you will be obliged to pay the difference to Sonray. Conversely, should the value of your CFD position be less than the contract value on the previous day, Sonray will be obliged to pay you the difference.

Should the value of your CFD position at the Close of Business be greater than the value determined on the previous day, and you hold a “long” position in the CFD, Sonray will be obliged to pay the difference to you. Conversely, should the value of your CFD position be less than the value on the previous day, you will be obliged to pay Sonray the difference.

Amounts payable or receivable by you pursuant to this provision, are referred to as Variation Margin.

It is your obligation to maintain sufficient Margin in your account at all times. Sonray requires that you monitor your positions at all times via the online trading platform. Should you fail to maintain sufficient Margin in your account, Sonray may provide you with notice of the Variation Margin required by making a Margin Call. This will be made via a pop-up box on the platform. Should we make a Margin Call you must deposit the amount of funds that we request into your account immediately. In the event of you failing to make margin payments we may reduce or close all your open positions without further notice. Margin Calls should not be relied upon in forming part of your overall risk management strategy.

22. Online trading platform

The terms of use applicable to utilising our online trading platform, are detailed in the Application Terms & Conditions you are required to execute prior to trading. Some of the key provisions include the following:

- Sonray reserves the right, in its sole discretion, to institute or change any policies at any time relating to the use of online trading platform. Any such changes will be advised to you directly via the online trading platform.
- Clients are granted a non-exclusive and non-transferable licence to use the online trading platform subject to the terms of the Application Terms & Conditions.
- Clients shall only use the online trading platform for its internal business or investment purposes.
- Clients shall not permit any third party to copy, use, modify, disassemble, translate or convert in connection with use of the online trading platform or distribute the platform to any third party.
- The Online trading platform may be used to transmit, receive and confirm the execution of orders, subject to market conditions and applicable exchange rules and regulations.
- Sonray consents to the Client’s access and use in reliance upon the Client having adopted procedures to prevent unauthorised access to and use of the service, in any event, the Client agrees to any financial liability for trades executed through the service.
- Where a Client is granted access to the online trading platform, the Client acknowledges and warrants that it has received a password granting it access to the online trading platform; is the sole owner of the password provided; and accepts full responsibility for any transaction that may occur on an account opened, held or accessed through the use of the password provided to the Client by Sonray.
- Clients agree to accept full responsibility for the use of the online trading platform and for any orders transmitted through the online trading platform. Sonray must be notified immediately should a Client become aware of any unauthorised use, loss or theft of the Client’s, username, password or account numbers; or inaccurate information with respect to the content of statements including, cash balances, open positions or transaction history.

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- The online trading platform is provided on an “as-is” basis and Sonray makes no express or implied representations or warranties to the Client regarding its operation or usability.
- Sonray does not warrant that access to or use of the online trading platform will be uninterrupted or error-free, or that the service will meet any particular criteria with respect to its performance or quality nor do we make any warranty as to the timeliness, sequence, accuracy, completeness, reliability or content of any information, service or transaction provided through the use of the online trading platform or the results obtained from its use. Sonray expressly disclaims all implied warranties, including without limitation warranties of merchantability, title, fitness for a particular purpose, non-infringement, compatibility, security or accuracy.
- Under no circumstances, including negligence, will Sonray be liable for any direct, indirect, incidental, special or consequential damages including, without limitation, business interruption or loss of profits that may result from the use of, unavailability of, or inability to use the online trading platform.
- Clients agree that the use of the online trading platform is at the Client’s risk and the Client assumes full responsibility for any losses resulting from the use of or materials obtained via the online trading platform.
- Please note that stop-outs (automatic closing of a position when margin calls have not been met) are implemented on the online trading platform at the sole discretion of Sonray, and no liability for the direct or indirect consequences thereof shall be accepted by Sonray in relation thereto. Please note that contingent orders placed on the online trading platform may not be filled in a consistent proportion to related orders which are partially filled. It is your obligation to amend contingent orders in response to the received on the related orders.

23. Our default powers

Sonray has extensive powers under the terms of our Application Terms & Conditions to take action in response to a range of default events. Such default events include the following:

- your failure to make a payment when due and payable, including any Margin Call or obligation;
- your failure to duly and punctually perform and observe any obligation or warranty under our Application Terms & Conditions;
- your provision of a false or misleading representation;
- your entry into a scheme of arrangement or compromise with your creditors, or contemplation thereof;
- your insolvency or appointment of a receiver, administrator or manager over your assets;
- a resolution or order for your winding up or liquidation;
- your death, bankruptcy or reduction in mental capacity;
- your guarantee becomes defective or insufficient; or
- your unavailability to be contacted for instructions for more than 24 hours (without nominating alternative arrangements).

In the event of any of the above, Sonray may terminate your account, and close out all or any of your CFD positions, including cancelling any outstanding orders. Further we may satisfy any obligation you have to Sonray out of any property, money or security belonging to you in Sonray’s custody. We may exercise any other power or right which Sonray may have pursuant to our Application Terms & Conditions or in law or equity.

24. Share Trading Examples

The following examples are for illustrative purposes only and have been calculated using the assumptions set out in each example.

Example 1: Going Long

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You expect Coles Myer to announce good profit results to the market and the price could rise by 7% over the next 16 days.

Open Position	
Buy Quantity	5,000
Price	9.10
Opening Contract Value	45,500.00
Initial Margin 10% (10% x 45,500)	4,550.00
Commission 0.30% (0.30% x 45,500)	136.50
Close Position	
Sell Quantity	5,000
Price	9.74
Closing Contract Value	48,700.00
Commission 0.30% (0.30% x 48,700)	145.80
Gross Profit (48,700 – 45,500)	3,200.00
Total Commission (136.50 + 145.80)	282.30
Total Financing Cost (payable) (refer to following table for calculations) *Libor 5.25% + 2.50%	161.52
Net Profit (Gross Profit – Total Commission – Total Financing Cost)	2,756.18

Financing Calculations:

	End of Day Closing Price	Quantity	Total Exposure (TE) (EOD Closing Price x Quantity)	Daily Financing Charge (TE x 7.75% x 1 day/360)
Day 1	9.10	5000	45500	9.80
Day 2	9.15	5000	45750	9.85
Day 3	9.22	5000	46100	9.92
Day 4	9.19	5000	45950	9.89
Day 5	9.26	5000	46300	9.97
Day 6	9.32	5000	46600	10.03
Day 7	9.30	5000	46500	10.01
Day 8	9.33	5000	46650	10.04
Day 9	9.40	5000	47000	10.12
Day 10	9.42	5000	47100	10.14
Day 11	9.40	5000	47000	10.12
Day 12	9.50	5000	47500	10.23
Day 13	9.45	5000	47250	10.17
Day 14	9.60	5000	48000	10.33
Day 15	9.68	5000	48400	10.42
Day 16	9.74	5000	48600	10.48
Total Financing Charge (payable)				161.52

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Alternatively: your expectations prove to be incorrect and your stop loss is triggered after 7 days.

Close Position	
Sell Quantity	5,000
Price	8.92
Contract Value	44,600.00
Commission 0.30% (0.30% x 44,600)	133.80
Gross Loss (45,500 – 44,600)	900.00
Total Commission (136.50 + 133.80)	270.30
Total Financing Cost (payable) (refer to following table for calculations) *(Libor 5.25% + 2.50%)	68.18
Net Profit (loss) (Gross Loss – Total Commission – Total Financing Cost)	1,238.48

Financing Calculations:

	End of Day Closing Price	Quantity	Total Exposure (TE) (EOD Closing Price x Quantity)	Daily Financing Charge (TE x 7.75% x 1 day/360)
Day 1	9.10	5000	45500	9.80
Day 2	9.15	5000	45750	9.85
Day 3	9.12	5000	45600	9.82
Day 4	9.07	5000	45350	9.76
Day 5	9.03	5000	45150	9.72
Day 6	8.95	5000	44750	9.63
Day 7	8.92	5000	44600	9.60
Total Financing Charge (payable)				68.18

* Please note for the purpose of the above examples the Libor Rate is fixed at 5.25%

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Example 2: Going Short

You anticipate that the rally in BHP Billiton shares has peaked and anticipate that it could fall by as much as 8% over the next ten days.

Open Position	
Sell Quantity	5,000
Price	14.90
Contract Value	74,500.00
Initial Margin 20% (20% x 74,500)	14,900.00
Commission 0.30% (0.30% x 74,500)	223.50
Buy Quantity	5,000
Price	13.71
Contract Value	68,550.00
Commission 0.30% (0.30% x 68,550)	205.65
Gross Profit (74,500 – 68,550)	5,950
Total Commission (223.50 + 205.65)	429.15
Total Financing Cost (Earned) (refer to following table for calculations) *(Libid 5.00% - 2.50%)	35.37
Net Profit (Gross Profit – Total Commission + Total Financing Cost)	5,556.22

Financing Calculations:

	End of Day Closing Price	Quantity	Total Exposure (TE) (EOD Closing Price x Quantity)	Daily Financing Charge (TE x 7.75% x 1 day/360)
Day 1	14.90	5000	74500	5.17
Day 2	14.87	5000	74350	5.16
Day 3	14.62	5000	73100	5.08
Day 4	14.68	5000	73400	5.10
Day 5	14.53	5000	72650	5.05
Day 6	14.22	5000	71100	4.94
Day 7	14.04	5000	70200	4.88
Day 8	13.89	5000	69450	4.82
Day 9	13.84	5000	69200	4.81
Day 10	13.71	5000	68550	4.76
Total Financing Charge (earned)				35.37

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Alternatively: your expectations prove to be incorrect and your stop loss is triggered after 6 days

Close Position	
Buy Quantity	5,000
Price	15.20
Contract Value	76,000.00
Commission 0.30% (0.30% x 76,000)	228.00
Gross Loss (74,500 – 76,000)	(1,500.00)
Total Commission (223.50 + 228.00)	451.50
Total Financing Cost (Earned) (refer to following table for calculations) *(Libid 5.00% - 2.50%)	31.20
Net Profit (loss) (Gross Loss – Total Commission + Total Financing Cost)	1920.30

Financing Calculations:

	End of Day Closing Price	Quantity	Total Exposure (TE) (EOD Closing Price x Quantity)	Daily Financing Charge (TE x 7.75% x 1 day/360)
Day 1	14.90	5000	74500	5.17
Day 2	14.87	5000	74350	5.16
Day 3	14.85	5000	74250	5.16
Day 4	14.97	5000	74850	5.20
Day 5	15.08	5000	75400	5.24
Day 6	15.20	5000	76000	5.28
Total Financing Charge (earned)				31.20

* Please note for the purpose of this example the Libid Rate is fixed at 5.00%

CFDs are highly leveraged derivatives and involve the potential for both profit and losses, as reflected in the example shown above.

25. Stop Loss Orders

A Stop-loss order is an order placed to limit the loss on an open position, and can be used on both the market made and DMA models. Stop-loss orders must be placed a minimum distance from Sonray's current CFD bid and offer prices. The minimum distance for a stop loss order for each CFD will be advised to you upon request.

A stop order can be seen as a “resting” market order. The order will become active when the price specified as the strike price in the stop order has been traded in the market. The stop order will then be converted into a market order. The stop order becomes a market order when the stop price is equal to last traded price in the underlying stock market. The process of the fill will be precisely as described under the order type.

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A stop-loss order can be placed on the online trading platform. Two forms of stop-loss order are available currently, namely, a stop-loss order at a set price; and a trailing stop-loss order which enables you to link a stop-order at a set distance to the market. As the market moves away from the stop-order's strike price, the strike price will be adjusted in the steps defined when the order was placed. In case the market move towards the stop orders strike price the order will remain at the initial level with the initial strike price.

For example if you want to protect a long position in BHP that you bought at \$50.00, you can place a trailing stop to sell at \$42.00, with a distance to market of \$7 and a step of 1 point. Then if BHP moved to \$52.00, the strike price of the stop-order will be adjusted to \$45.00. If BHP moves to \$57.00, the strike price will be adjusted to \$50.00 and so forth. When the price in BHP moves down to \$50.00, your stop order will be triggered and routed as a market order.

Stop-loss orders placed on share CFDs will be filled if the underlying security trades at prices equal to or below the price at which you have placed your stop loss order subject to there being sufficient liquidity in the underlying security. Your stop loss orders may be filled at prices below those at which you have placed your stop loss order.

Sonray will execute a Stop-loss order once the following conditions are met:

- Sonray's offer price has reached the order price in the case of a buy order or Sonray's bid price has reached the order price in the case of a sell order and;
- the relevant underlying market has traded at or through the level at which the order is placed, in sufficient size that Sonray could have replicated the order.

Sonray will not execute stop loss orders based on crossings or special trades that have gone through the underlying market. If the relevant underlying market, and therefore our CFD price, gaps through the stop level then the order will be executed at the next available price at which the order could have reasonably been executed.

As the markets are constantly moving 24 hours a day, you are able to place a 'stop loss' on both your DMA and market made open positions. Whilst this allows you to control potential losses should the market move against you, in most circumstances, stop loss orders may not always limit your losses the way you anticipate. There are no guarantees in relation to stop-loss orders, and due to the speed at which prices can move, they may be effected at a different price (known as Slippage) or not at all. Please also refer to the relevant discussion in Significant Risks (section 13).

There are no additional fees or charges associated with the placement of stop-loss orders (only the disclosed commission regarding the executed transaction if the order is triggered).

26. Sonray Application Terms & Conditions

In order to open an account, you are required to sign our Application Terms & Conditions. This is an important legal document containing the terms and conditions which govern our relationship with you. It is provided to you separately by Sonray.

We recommend that you consider seeking independent legal advice before entering into the Application Terms & Conditions, as the terms and conditions detailed therein are important and affect your dealings with us.

We note the following key terms in the Application Terms & Conditions, some of which have been summarised throughout this PDS:

- Client acknowledgements regarding knowledge and suitability of CFDs;
- Client representations and warranties;
- Client account operating details;

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- CFD trading requirements;
- Margin requirements and Sonray's rights in respect thereof;
- Client obligations regarding confirmations (discrepancies);
- Process for settlement of differences;
- Rights and obligations regarding dividend payments/receipts;
- Process for closing out a CFD trade, and Sonray's rights in relation to price calculation;
- Sonray's rights regarding adjustment events;
- Interest payable/receivable on open CFD positions;
- Requirements regarding the appointment of authorised persons by the client;
- Default events;
- Sonray rights following a default event;
- Amendment and termination rights;
- Client Indemnity in favour of Sonray
- Sonray's limitation of liability;
- Fees and charges;
- Restrictions on assignment of agreement;
- Telephone recordings;
- Provision of general advice;
- Governing law (New South Wales); and
- Online trading platform conditions/process.

27. Client Monies

All money deposited into your account by you or by a person acting on your behalf, or which is received by Sonray on your behalf, will be held by Sonray in one or more segregated accounts it must maintain pursuant to the Corporations Act. Please note that individual client accounts are not separated from each other, but may be co-mingled into one segregated account (which is separate to Sonray's monies/assets). It is important to note that holding your money in such segregated account may not afford you absolute protection, and the purpose of the segregated account is to separate Client monies from Sonray monies. All Client monies are pooled together within the segregated account, therefore an individual Client's balance may not be protected if there is a default by another Client that causes a loss to the overall segregated account balance. In order to minimise this risk, Sonray may use its own company funds to cover any Client balance shortfall that may be caused by a Client default in the short term. If there is a deficit in the segregated account and in the unlikely event that Sonray becomes insolvent before it makes up the deficit in the segregated account, then you will be an unsecured creditor of Sonray in relation to the balance of any monies owing to you from the segregated account.

Please note that monies provided by you to meet margins, deposits, fees, transaction settlements, or other costs shall be immediately on-forwarded by Sonray to our licensed third party clearing and execution providers, and applied against your margin, exchange, fee and settlement obligations. Client monies which are held pending future

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transactions and payments, are held by our licensed third party providers in our segregated account in accordance with the Corporations Act. It is important to note that holding your money in one or more segregated accounts may not afford you absolute protection.

Sonray does not accept payments from or make payments to any third parties. In accordance with Australian anti-money laundering regulations, Sonray reports, where necessary, any suspect transactions to AUSTRAC.

Sonray is entitled to retain all interest earned on client moneys held in segregated accounts with a bank, approved deposit-taking institution and/or Exchange clearing house. The rate of interest earned by Sonray on this account is determined by the provider of the deposit facility.

28. Taxation Considerations

This section is necessarily general in nature and does not take into account your personal financial situation. The information contained in this section is provided for guidance only as taxation law is complex and it is not legal or tax advice. For these reasons you should seek professional taxation advice based on your personal financial and taxation position before dealing in CFDs. Additionally, the information provided below is for Australian residents only based on the taxation laws in Australia current as at the date of this PDS.

28.1 Tax Consequences of Contracts for Difference Trading

28.1.1 Taxation Ruling

The Commissioner of Taxation has released a ruling relating to the income and capital gains tax consequences of dealing in financial CFDs; Taxation Ruling TR 2005/15. This Ruling is a public ruling for the purposes of Part IVA of the Taxation Administration Act 1953 and is available from the website of the Australian Taxation Office at www.ato.gov.au.

As a public ruling, if TR 2005/15 applies to an investor, the Commissioner is bound to administer the law in accordance with the Ruling, until the Ruling is changed or withdrawn. If there is a taxation shortfall due to an investor not following the terms of the ruling, then penalties may apply.

This section set out a summary of parts of the Commissioner's ruling and a full understanding of the Commissioner's position can only be obtained through a full reading and analysis of that ruling.

28.1.2 Gains or Losses

CFDs traded on revenue account

The Commissioner's Ruling states that gains made from dealing in a CFD will be assessable for income for tax purposes, and any losses will be deductible under the Income Tax Assessment Act 1997 (ITAA 1997), provided that:

- the CFD transaction is entered into as an ordinary incident of carrying on a business; or
- the CFD transaction is entered into as part of a profit making undertaking or scheme.

If the CFD is entered into as part of the ordinary incident of carrying on a business then gains will be assessable. If the CFD transaction is entered as part of a profit-making undertaking or scheme, and it does not fall within the gambling exemption, then the gains will be assessable and the losses deductible. This would generally be calculated on the date the position is closed.

The Commissioner has indicated that the nature of CFD trading is likely to mean that in general they will have a commercial nature, and so would not have the recreational or sporting character required for the gambling

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exemption, and indicating that the CFD is held and traded on revenue account. However, it may still be possible, in very limited circumstances to show that a person has entered into a CFD for gambling purposes.

CFDs traded on capital account

If a CFD is classified as a capital asset under the ITAA 97, then upon disposal of the asset, either by maturity or by closing it out, a Capital Gains Tax (CGT) Event will occur. The calculation of the gain or loss would generally take into account any gain or loss included in assessable income under other provisions of the ITAA 97.

However, in applicable circumstances, the CGT gambling exemption will apply to disregard capital gains or capital losses from financial CFDs where the CGT event is related directly to gambling.

28.1.3 Interest, adjustments and commissions

Interest

Interest you receive should be included in assessable income. This will generally be at the time the interest is credited to your account. Interest payable by you (including any default interest) will generally be allowable as a deduction at the time your account is debited. Interest paid or received on relevant CFDs held overnight will form part of the net gain or loss made on that particular CFD transaction.

Please note that if you do not provide us with your tax file number or ABN (which is not compulsory), we will be obliged to deduct tax from any interest payment at the highest marginal rate plus Medicare levy.

Dividend Adjustments and Corporate Events.

The Dividend Adjustments paid or received on relevant CFDs following dividend payments or Corporate Events will form part of the net gain or loss made on that particular CFD transaction.

Commissions, Fees and Other charges

The commissions, fees or other charges will generally be allowable as deductions at the time they are debited from your account if they are regarded as having been incurred for the purpose of deriving assessable income. They will form part of the net gain or loss made on that particular CFD transaction.

28.1.4 Goods and Services Tax (GST) Ruling

The Commissioner has also released guidance relating to the GST implications of trading in CFDs; GST Determination GSTD 2005/3. The Commissioner has stated that the costs incurred in having a CFD position open, such as commissions (on both opening and closing), Dividend Adjustments and Corporate Event adjustments, Interest Charges and Margins are all considered financial supplies under the A New Tax System (Goods and Services Tax) Act 1999 ('the GST Act'). Consequently, they are input credit taxed and no GST is payable on their supply.

Please note that should GST become payable by us in respect on any supply made to you in connection with this PDS, we can require you to pay an additional amount on account of GST.

28.1.5 Stamp Duty

Opening a CFD, payments made under a CFD and closing out a CFD do not give rise to stamp duty liability.

29. Disclosure of Interests

We do not have any relationships or associations which might influence us in providing you with our services. However, Sonray may share fees and charges with its associates or other third parties or receive remuneration from them with respect to your dealings with us.

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In particular, Sonray is a market maker, not a broker, and accordingly will always act as principal for its own benefit in respect of all CFD transactions with you. Sonray may conduct transactions to hedge its liability to you in respect of your CFD positions by undertaking transactions in the underlying securities. Such trading activities may impact (positively or negatively) the prices at which you may trade CFDs.

You may have been referred to us by a service provider who may receive financial or non-financial benefits from us. These should have been disclosed to you by the service provider in question. Please note that such benefits will not impact transaction fees or the rates you will be offered for financial products or services undertaken with Sonray.

30. Ethical Considerations

Sonray does not take into account labour standards, or environmental, social or ethical considerations when offering financial products to you.

31. Privacy

Your privacy is important to us. The information you provide Sonray and any other information provided by you in connection with your account will primarily be used for the processing of your account application and for complying with certain laws and regulations. We may use this information to send you details of other services or provide you with information that we believe may be of interest to you. Full details of our privacy policy are available from our website, www.sonray.com.au.

32. Dispute Resolution

Sonray has an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. Any complaints or concerns should be directed to the Compliance Officer (by telephone, facsimile, or letter) at the address and telephone/fax numbers provided in Section 2 of this PDS, or by email to complaints@sonray.com.au.

We will provide acknowledgement of receipt of written complaints within 5 Business Days, and seek to resolve and respond to complaints within 30 Business Days of receipt. We will investigate your complaint, and provide you with our decision, and the reasons on which it is based, in writing. Our dispute resolution policy is also available on our website.

If you are dissatisfied with the outcome, you have the right to lodge a complaint with the Financial Ombudsman Services Limited ("FOS"), an approved external dispute resolution scheme, of which Sonray is a member, using the contact details below.

FOS

GPO Box 3,
Melbourne VIC 3001
Telephone: 1300 780 808
Facsimile: +613 9613 6399
Website: www.fos.org.au

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33. Glossary

Below is a list and the meaning of some words used in this PDS.

Account or account

Account of the client dealing in the products issued by Sonray, which is established in accordance with the terms and conditions of the Application Terms & Conditions.

AEST

Australian Eastern Standard Time

AFSL

Australian Financial Services Licence

Application Terms & Conditions

The agreement provided to you by Sonray, detailing the applicable terms and conditions as amended, supplemented or updated from time to time. You must complete, sign and return an Application Terms & Conditions, and have your account approved by Sonray set up an account with Sonray to deal in products issued by Sonray.

Business Day

A day (other than a Saturday or Sunday or public holiday) on which banks are or will be open for general business in Sydney.

CFD

Over-the-counter ("OTC") contract for difference that concludes with the parties settling the difference between the purchase price and the sale price.

Close of Business

Time at which the market of the Exchange on which the Underlying Security over which a CFD is quoted normally closes on any Business Day.

Closing Price or closing price

The Underlying Security Price as determined by Sonray at the time Sonray receives the Closing Notice.

Closing Notice

Notice given by one party to the other to close out any CFD in accordance with the terms and conditions of the Application Terms & Conditions.

Closing Value or closing value

Closing Price multiplied by the Quantity.

Confirmation or order confirmation

Document or documents confirming evidence exchanged between Sonray and the client, confirming the terms of the CFD.

Contract

A transaction identified in the Confirmation or contract note as a "Contract for Difference" or "CFD" or any other transaction which both parties agree shall be a transaction.

Contract Value or contract value

Underlying Security Price multiplied by the Quantity.

Deal

Has the same meaning as provided in the Corporations Act.

Exchange

Any financial market on which the underlying security is able to be traded.

FOS

The Financial Ombudsman Services Limited

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Financing Rate

The rate at which you pay or receive interest on CFD positions remaining open overnight.

FSG

Sonray's financial services guide as amended, supplemented or updated from time to time.

GLV

The amount of money the client would have left in their account should all of their open positions be closed out at the current market price less any interest, fees or transaction charges.

Initial Margin

An amount required to be deposited by the client with Sonray to open a CFD position.

LIBID

LIBID stands for London Interbank Bid Rate. The rate charged by one bank to another for a deposit in the wholesale money markets in London.

LIBOR

LIBOR stands for London Interbank Offer Rate. It's the rate of interest at which banks offer to lend money to one another in the wholesale money markets in London.

Margin

The Initial Margin or Variation Margin or both.

Margin Call

A demand for additional funds made to the client by Sonray to meet any additional margin requirement.

Quantity

The number or quantity of Underlying Securities to which the CFD relates.

Slippage

The difference between the expected price of a trade, and the actual execution price of the trade. Slippage often occurs during periods of higher volatility, when market orders are used, and also when large orders are executed when there may not be enough interest at the desired price level to maintain the expected price of trade.

Sonray

Sonray Capital Markets Pty Ltd.

Online trading platform

Sonray's online trading platform.

Transaction Fee or transaction fee

The fee charged by Sonray for executing the relevant transaction.

Underlying Security

The underlying security (including index) to which the CFD relates.

Underlying Security Price

The current price of the Underlying Security as determined by Sonray.

Variation Margin

The amount deposited by the client with Sonray including any increase or reduction arising from settlement of a closed CFD position.

We, Us or Sonray

Sonray Capital Markets Pty Ltd