ARUDA PTY LTD

PRODUCT DISCLOSURE STATEMENT

DERIVATIVES- FUTURES & OPTIONS

Online Trading Facility

Issue Date: 28 May 2012
V7

IMPORTANT INFORMATION

Financial Services are provided by Aruda Pty Ltd ABN 50 084 146 403 (“Aruda”). (AFSL 338 674)
Please note that this Product Disclosure Statement (“PDS”) does not constitute a recommendation, advice or opinion. Before entering into an Aruda futures or options transaction, you should seek independent advice to ensure this is appropriate for your particular financial objectives, needs and circumstances. We recommend that you also obtain independent taxation and accounting advice in relation to the impact of foreign exchange gains and losses on your particular financial situation. The taxation consequences of exchange traded derivative transactions can be complex and will differ for each individual’s financial circumstances, and your tax adviser should be consulted prior to entering into an exchange traded derivative transaction.
Aruda does not guarantee the investment performance of exchange traded neither derivatives products nor the investment performance of the underlying markets or instruments.
For information regarding our full range of products and services, please read our Financial Services Guide. If you have any queries regarding this PDS, please contact Aruda.
To the extent permitted by law, neither Aruda nor its affiliates accepts any responsibility for errors or misstatements, negligent or otherwise, nor for any direct, indirect, consequential or other loss arising from any use of these documents and/or further communication in relation to them.

Futures and Derivatives PDS
Section 1 – Important Information

Purpose of this PDS
Under the Corporations Act, a retail client must receive a Product Disclosure Statement (PDS) from a financial services licensee before acquiring a financial product. The PDS is the point-of-sale document that sets out the significant features of a financial product, including its risks, benefits and cost.

This Product Disclosure Statement (PDS) is dated 26 October 2009 and was prepared by Aruda Pty Limited (Aruda) as the issuer of Over-The-Counter (OTC) contracts for financial products (referred to as Transactions).

This PDS is designed to provide you with important information regarding futures and options products we utilise in the provision of our services, 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.

This PDS is designed to assist you in deciding whether the products covered in this PDS are appropriate for your needs. This PDS has been prepared to assist you in comparing it with others you may be considering. The PDS is an important document and we recommend that you contact us should you have any questions arising from the PDS prior to entering into any transactions with Aruda.

The information in this PDS does not take into account your personal objectives, financial situation and needs. This PDS does not advise you on whether Futures Transactions are appropriate for you.

You should read all of this PDS before making a decision to deal in financial products covered by this PDS. We recommend that you contact us if you have any questions arising from this PDS prior to entering into any Transactions with us. Aruda recommends that you consult your advisor or obtain independent advice before trading under the Aruda Online Trading Facility.

Currency of PDS
The information in this PDS is up to date at the time it was prepared but is subject to change from time to time. If the new information is information which is materially adverse to you, we will either issue a new PDS or a supplementary PDS containing the new information. If the new information is not materially adverse to you, we will not issue a new PDS or a supplementary PDS to you, but you will be able to find the updated information on our website at www.aruda.com.au or by calling us using the contact details given in the Directory in this document.
If you ask us, we will send you a paper copy of the information.

PDS Requirement
Aruda is required to give this PDS because it is deemed to be the issuer of financial products which are derivatives.
Your Transactions with Aruda under the Aruda Online Trading Facility will be derivatives.
Futures and derivatives transactions can be highly leveraged and speculative with a high degree of risk. Potential investors should be experienced in derivatives and understand and accept the risks of investing in Futures Transactions. These are sophisticated financial products so you should read this PDS in full before making any decision to invest in these financial products.
This PDS aims to provide you with the documents for establishing your Aruda Online Trading Facility with Aruda and with enough information for you to decide whether to trade in these financial products with Aruda.
You may also use this PDS to compare this financial product with others. Some expressions used in this PDS have definitions given in the terms of your Aruda Online Trading Facility.

Other Jurisdictions
The offer to which this PDS relates is available only to persons receiving the PDS in Australia. The distribution of this PDS in jurisdictions outside Australia may be subject to legal restrictions. Any person who resides outside Australia who gains access to this PDS should comply with any such restrictions as failure to do so may constitute a violation of financial services laws. The offer to which this PDS relates is not available to US investors.

Name of Service Provider & Principal Contact
The Service Provider is Aruda Pty Ltd ACN 104 482 993 (“Aruda”), and the Principal Contact is John Robertson, Managing Director.

Australian Financial Services Licence (“AFSL”)
Aruda holds an AFSL [Number 338 674] and is authorised to provide the following services:

1. This licence authorises the licensee to carry on a financial services business to:

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

to retail and wholesale clients.

Contact details of Aruda
Aruda Pty Ltd
PO Box 3794
Mosman NSW 2088
Tel: (612) 8004 0234
Fax: (612) 9869 3776
Website: www.aruda.com.au
Email: info@aruda.com.au

Terms and conditions
This PDS and the FSG set out important information about the financial products and are binding on you and Aruda. Additional legal terms governing your dealing with us are set out in:
• your Client Services Agreement with us;
• any supplementary terms for particular financial products such as the terms for Futures Contracts and Option Contracts which are generally set out in the operating rules of the relevant Futures Exchange.
You should refer to the website of the relevant Futures Exchange for information, details of contracts available for trading, contract specifications, operating rules, pricing information and clearing arrangements applicable to that Futures Exchange. If you are unable to access the relevant website, please contact us and we will endeavour to make the information available to you through other means; and
• any supplementary terms for any electronic Trading Platform which you use to transmit your orders. You will need to execute a Client Services Agreement by completing the application form provided by Aruda. The Client Services Agreement sets out the general legal terms of your dealings with us for the products covered by this PDS and also for dealings not covered by this PDS (such as trading in other financial products offered by Aruda). By opening an account with us you agree to the terms of the Client Service Agreement.

Futures and Derivatives PDS
Section 2 – Key Features

Futures Transactions
Futures Transactions are agreements, whether exchange traded or an OTC contract, to buy or sell a specific quantity of a described commodity at an agreed date in the future, whether or not it is physically settled or capable of being physically or cash settled. The commodity could be shares, currency, grains, metals or other similar things commonly traded in bulk on standardised terms, or indices in respect of them. The Aruda Online Trading Facility allows you to trade either exchange- traded futures with Aruda acting as your order placement agent or OTC contracts with Aruda as principal.
Generally Aruda will be acting as your order placement agent (and not as your counterparty) when you are trading in exchange-traded futures by an online trading platform offered by Aruda. In this case, the Market Participant who is the participant in the futures exchange will be your counterparty, not Aruda. Since that Market Participant's product disclosure statement might not be available to you, this PDS will also inform you about the general nature of a Market Participant's exchange-traded Futures Transaction.

Key Benefits of Transactions

Trading in Futures Transactions may assist with cash flow management.

Futures Transactions also allow speculative trading to generate significant profits (as will as significant losses).

Exchange traded Futures Transactions have the benefit of greater market liquidity and the regulations governing the market. You should note, however, that Aruda only facilitates your order placement for exchange traded Futures Transactions through online trading platforms – Aruda is not the exchange-regulated futures broker.

The use of OTC contracts provides important risk management tools. One of the benefits of entering into an OTC contract is that you can tailor the price of the contract to your specific circumstances, e.g. based on your anticipated yield of production or your future currency needs. Unlike exchange traded derivatives, OTC contracts are not standardised and can be personally tailored to suit your requirements. Another advantage of OTC contracts, compared with exchange traded derivatives, is the flexibility in the contract quantity. Exchange traded derivatives are standardised. Furthermore, the date of settlement for OTC contracts is negotiable and can be set to mature some months from initial settlement.

Derivatives

A Derivative is an agreement by which you can make a profit or loss from changes in the market price of an Underlying Security (which could be a market index), usually an exchange-traded security, without actually owning that Underlying Security or having any indirect interest in the Underlying Security.

Derivatives can be bought and sold on exchanges, such as exchange traded options (ETOs) or they can be created Over-The-Counter (OTC). Under the Dealing Facility, Aruda can either issue you an OTC Derivative or it can deal for you in derivatives traded on selected exchanges around the world.

This PDS is required for OTC Derivatives which are options or have a similar nature. There are two types of options: call options and put options. Call options give the taker the right, but not the obligation, to buy the Underlying Securities, while put options give the taker the right, but not the obligation, to sell the Underlying securities.

The taker of the option is not obliged to exercise the option. The taker can sell the option before it expires, or alternatively let the contract lapse at expiry, but will lose the option premium.

The OTC Derivatives dealt with under your Dealing Facility are OTC contracts issued by Aruda as principal. You do not acquire or deliver the Underlying Security, and you have no rights to any Underlying Security, such as voting rights, shareholder discounts or company reports.

Key Benefits of Derivatives

The significant benefits of Derivatives are managing cash flow, price and market risk. People who trade in Derivatives may do so for a variety of reasons. Some trade for speculation, that is, with a view to profiting from fluctuations in the price or value of the Underlying Security. Derivative traders may have no need to sell or purchase the Underlying Securities themselves, but may instead be looking to profit from market movements in the shares concerned.

Others trade share Derivatives to hedge their exposures to the Underlying Security. For example, Derivatives can be used as a risk management tool to enable those with existing holdings of Underlying Securities to lock in an effective sale price for the shares concerned by taking a “short” Derivative position.

Then, if the price of the Underlying Security the investor holds falls, the short Derivative positions will wholly or partly offset the losses incurred on the physical holdings.
You could earn extra income over and above dividends by writing call options against your shares. By writing an option you receive the option premium up front. While you get to keep the option premium, there is a possibility that you could be exercised against and have to deliver your shares to the taker at the exercise price.
Derivative traders can potentially profit (and lose) from both rising and falling markets depending on the strategy they have employed. Strategies may involve “pairs trading” that is, taking a position in Derivatives over two shares to take an exposure to their relative market movements. Strategies may be complex and will have different levels of risk associated with each strategy.
The use of options Derivatives involves a high degree of leverage. These contracts enable a user to outlay a relatively small amount (in the form of Initial Margin) to secure an exposure to the Underlying Security. This leverage could work against you as well as for you. The use of leverage could lead to large losses as well as large gains.
Options could allow you to build a diversified portfolio for the same or even lower initial outlay than purchasing shares directly.

Futures and Derivatives PDS
Section 3 – How to Trade using a Dealing Facility

Establishing your Dealing Facility

You need to establish an Aruda Online Trading Facility by completing the application form set out in Aruda’s booklet. By opening an Aruda Online Trading Facility, you agree to the terms of the facility set out in or incorporated by the booklet.
The particular terms of a Transaction are decided by you and Aruda before entering into the Transaction.
Before you make a Transaction, Aruda may require you to provide an Initial Margin. This is paid to Aruda (and is not held on your behalf).
After you make a Transaction, confirmation of the Transaction will be given (such as being reported online or in an online account statement or record).
The fees and costs of transacting with Aruda are set out in this PDS.
If there is early termination, you may be liable for any fees, as well as any losses, depending on the marked-to-market value of your Transaction at termination.
Aruda may from time to time offer online trading platform for placing orders and monitoring your Trading Account. Details of operational aspects of the trading platform are available separately from Aruda. It is important that you read and understand those operational rules, especially in relation to margin cover requirements and how orders are managed.

Margining of Transactions

Margin cover is usually required in these cases:
• as “initial” margin, to start the trading (Initial Margin);
• as “variation” margin, meaning adjustments to margin cover due to falls in the value of the financial product or underlying security (Variation Margin); or

• as “maintenance” margin – to maintain the margin cover in light of adjustments to the percentage of value of the stock allowed as margin cover or other trading platform adjustments not related to the price movements of the financial products.

Initial Margin amounts are set by the exchange and act as a deposit for the Futures Contract that has been entered into by the client.

Aruda generally charges the margins set by the exchange but is entitled to demand or “call” (which means a demand for payment) a higher Initial Margin than the minimum set in order to protect its own obligation incurred when dealing on a client’s behalf. Liability for Initial Margin occurs at the time of the trade and should be paid to Aruda before any trading is conducted on the client’s behalf.

In the case of Derivative Transactions, the Initial Margin immediately payable is typically between 10% to 30% but may be as high as 100%. We may call more margin from you, in addition to the amount that must be paid to the Clearing House. In normal market conditions Aruda has an additional margin requirement typically being 20% above the Clearing House requirements but in extreme market volatility or at any other time this requirement can be increased without having to give you prior notice.

The liability of a client under a Futures Contract is not limited to the Initial Margin which that client paid when the contract was first opened. If, after paying the Initial Margin, the price moves against the client, Variation Margin will be called and must be paid on demand.

Margin requirements can be changed without having to give you prior notice.

You must be in a position to fund such requirements at all times and you have to maintain the margin cover required by Aruda. Initial and Variation Margin must be paid immediately after the call. The general policy of Aruda is that payment of the call must be received within 24 hours of the call although in times of extreme price volatility this may mean as little as 1 hour.

Losses can therefore exceed the amount of the Initial Margin and any Variation Margin paid. Initial Margin offset will be removed from the client’s Account on settlement of the contract. Debit Variation Margin (unrealised losses) on closure of the contract will be debited to the client’s Account balance and credit Variation Margin (unrealised profits) on closure of the contract will be credited to the client’s Account.

You will be required to fund any cash shortfall in the Account.

Any losses resulting from Aruda closing your position will be debited to your Trading Account and may require you to provide additional funds to Aruda.

Writers of options must pay margin to the exchange. The margin acts as a deposit for the Futures Contract that has been entered into by the client.

If the price of your sold option moves against you, you will be asked to pay a margin which represents the adverse movement.

The margin cover is usually provided by you paying cash to Aruda. In some cases your Trading Account may allow shares as collateral. Your Trading Account’s collateral is effectively based on cash; any permitted shares and the market value of your positions.

You will be required to provide variation or other required margin cover whether or not you receive a margin call. In other words, you are responsible for monitoring your positions and providing the required level of margin call. You might receive notice about margin cover requirements by email, SMS message or, when you access your Trading Account online, pop-up messages on your screen, but you need to provide the margin cover whether or not you get these messages.

In some cases the required margin cover will change automatically at times or in cases applying to your online trading platform.
For example, at weekends some margin cover requirements automatically increase. If you do not ensure you maintain the required level of margin cover, all your positions may be closed out and the resulting realised loss deducted from any proceeds. If you are trading through an online trading platform, you must read the rules of the platform particularly carefully. In some cases all of your positions can be closed out automatically.
It is your responsibility to provide the collateral for your margin cover on time. In some cases it might take 48 hours or more for funds sent to Aruda to be credited to your Trading Account (depending on the rules of your Trading Account or online trading platform or other external factors outside the control of Aruda).

Margin Listings
Most exchanges publish the latest initial margin rates on their websites. Contract specifications and initial margin requirements are published, together with general market reports, operating rules, pricing information and clearing arrangements. In addition, exchanges such as ASX publish educational material and explanatory guidelines for listed products.

Sydney Futures Exchange (SFE) www.asx.com.au
Australian Stock Exchange (ASX) www.asx.com.au
Chicago Mercantile Exchange (CME) www.cme.com
Chicago Board of Trade (CBT) www.cbt.com
New York Board of Trade (NYBOT) www.nybot.com
New York Mercantile Exchange (NYMEX) www.nymex.com
Winnipeg Commodity Exchange (WCE) www.wce.ca

If you cannot access any of the above websites, please contact Aruda so that we can forward a copy of the information to you by another means.

Daily Valuation
Following the close of business on each Business Day during the term of a Transaction, Aruda will determine your Trading Account's collateral value, based on the value of the Transactions in your Trading Account as at close of business.

Futures Contracts
There are two main types of Futures Contracts. One is an agreement under which the seller agrees to deliver to the buyer, and the buyer agrees to take delivery of, the quantity of the commodity described in the contract. Such contracts are described as Deliverable Contracts (Deliverable Contracts).
The other kind is an agreement under which the two parties will make cash adjustment between them according to whether the price of a commodity or security has risen or fallen since the time of contract was made. Such contracts are described as Cash Settlement Contracts (Cash Settlement Contracts).

Contract Specifications
The terms and conditions of a Futures Contract are set out in the rules and regulations of the exchange on which the contract was made. Futures exchanges exist in a number of countries and regions, including the United States of America,

the United Kingdom, Europe and Asia, as well as Australia. The material in this document is intended to refer to any Futures Contract traded on any exchange, but there may be differences in procedure and regulation of markets from one country to another and one exchange to another.

Futures Contracts are made for periods of up to several years in the future, although the vast majority are for settlement within six months of the agreement being made. Part of the standardisation of contracts is that the time of the delivery or settlement is one of a series of standardised maturity times.

For example, in the SPI 200™ Index Future traded on the Australian Stock Exchange (ASX), contracts can be made for settlement at the end of March, July, September or December during a period of 18 months from the time of the trade.

Deliverable Contracts involve an obligation to deliver or take delivery at maturity, and it is not advisable to enter into such contracts in the last weeks before maturity unless actual delivery is contemplated. It is Aruda's policy not to permit actual delivery.

The terms and specifications of Futures Contracts traded on the ASX are available through its website: www.asx.com.au

Details of Futures Contracts and Derivatives traded on the ASX24 are accessible at its website: www.asx.com

Futures Contracts are standardised

Futures Contracts are standardised and interchangeable, meaning that Futures Contracts of a particular class are perfect substitutes for each other. A consequence of contract standardisation is that the price is the only factor that remains to be determined in the marketplace. Since all Futures Contracts for a given future month in the same market are interchangeable, they can be Closed Out against an opposite position in the same contract.

A Client who holds a contract to buy may cancel this obligation by taking a new contract to sell in the same month. This process is known as "offsetting" or "closing out the contract". In the same way, the holder of a contract to sell can close out by taking a new contract to buy. In each case there will be a profit or loss equal to the difference between the buying and selling prices multiplied by the standard contract amount. In practice, the vast majority of contracts are offset in this manner, the remainder being fulfilled by delivery or by mandatory cash settlement in those markets if no provision for delivery exists.

Closing Out

Closing-out can be achieved without reference to the original party with whom the derivatives contract is traded because of a system of novation or substitution of one contracting party for another. The Clearing House of the derivatives exchange stands between the buying and selling brokers guaranteeing contract performance to each of them. Closing out can also be achieved if it is an OTC contract with Aruda, terminating that agreement early.

Expiry of Futures Contracts

It should be noted that Aruda does not support physical delivery of the underlying security upon expiry of a Futures Contract; therefore all positions need to be closed or rolled into the next contract month. Aruda therefore advises you to be aware of the expiry and first notice dates of any Futures Contracts you invest in and ensure that you close your position before this date. If you do not close a futures position within two days of its expiry or first notice date, Aruda reserves the right to close your position for you at the first available opportunity at the prevailing market price. Any resulting costs, gains or losses will be passed on to you. If you require any assistance or clarification regarding the expiry of Futures Contracts, please contact Aruda.

Futures Options

On many futures exchanges, Futures options (option contracts over Futures Contracts) are available in addition to Futures Contracts.

An option on a Futures Contract can be defined as a contract which gives the buyer the right, but not the obligation, to buy or sell a Futures Contract, at a pre-determined price known as the strike price, on or before a specified date in the future.

In exchange for this right, the buyer pays the seller a sum of money known as the option premium.

There are two types of options. A call option is an option to buy in the futures market at a designated price (the exercise price or striking price), at any time before the option expires, irrespective of the current futures price. A put option is an option to sell in the futures market at the exercise price. Like Futures Contracts, options are standardised, so that having bought an option it is possible to sell it later to a third party.

Depending on the nature of the option, an option may be exercised at any time prior to expiry or only on expiry. Upon exercise, a buyer (taker) and a seller (granter) are required to take up the resulting futures positions.

If the option is exercised, it becomes a Futures Contract, and the buyer of the call option then has a bought futures position at the exercise price, while the seller (granter) is required to take the opposite (sold) side of this Futures Contract.

If the option was a put option, the buyer, on exercise, then has a Futures Contract to sell at the exercise price and the seller (granter) has a Futures Contract to buy at this price.

Exercising call and put options

Provided the buyer pays the full amount of the premium which is non-refundable at the time the option is traded, the buyer will not be called upon to pay margins; if the buyer pays only an Initial Margin (deposit), the buyer may be called upon to pay margins up to the full value of the premium (but no more). Provided the underlying futures market has moved in the buyer’s favour, the holder of an option can profit by selling it later at a higher premium, or by exercising it and closing out the resulting future contract. The profit depends on the movement in the underlying futures market and is potentially unlimited. However if the conditions do not suit the buyer, then the options can be left to lapse and the buyer simply forgoes the premium paid.

On the other hand, sellers (granters) of option contracts have limited profit potential (they cannot earn more than the premium for which the option is sold) and have similar potential liability to the holder of a Futures Contract, i.e., unlimited potential for loss. Margins will be called if the market price moves against the seller.

You must distinguish between Futures options and exchange traded options (ETOs). If a Futures option is exercised a Futures Contract is established. If an ETO is exercised, it results in making or taking delivery of the actual commodity underlying the option, or making a cash adjustment based on a change in the price of the commodity or on the movement in an index.

European and American options
European options can only be exercised on the expiry date of the option, and not before.
American options are tradable and can be exercised at any time up to the date the option is due to expire.
Options traded on a futures exchange (such as the ASX) usually may be exercised at any time before the expiry date. In this case, if you are the seller of an option, you must be prepared for that option to be exercised any time before the expiry date.

Futures Option Exercise Procedure
On some exchanges (e.g. the ASX) all in-the-money options are automatically exercised at expiry (converted into Futures Contracts) by the exchange. Not all exchanges automatically exercise at-the-money or in-the-money options at expiry, particularly some European and US Exchanges where in-the-money options may be cash settled. Check with your Aruda advisor if you are not sure.
An in-the-money put option has an exercise price above the settlement price of the underlying Futures Contract at expiry of the option.
For example a client has bought a 5600 put option and on the last trading date of the option the settlement price of the futures is at 5500. The client's put option position will then be exercised into a short (sold) Futures Contract from 5600. An in-the-money call option has an exercise price below the settlement price of the underlying Futures Contract at expiry of the option.
For example a client has bought a 5600-call option and on the last trading date of the option the settlement price of the futures is at 5700. The client's call option position will then be exercised into a long (bought) Futures Contract from 5600. The exercised position will be netted out on the settlement date.

Out-of-the-money options
This term is used to describe an option that cannot be exercised at a profit. An out-of-the-money option is a call option whose strike price is higher than the current market level or a put option whose strike price is below market.
A Client contemplating purchasing a deep out-of-the-money option should be aware that the chance of such an option becoming profitable is ordinarily remote.

Client Segregated Accounts
When a Client trades in exchange-traded Futures Transactions through an online trading platform, Aruda is acting as the Client's order placement agent. In this case, the Client's moneys are first placed in Aruda's trust account for all Aruda Online Trading Facility Clients and then may later be deposited with the Market Participant (who may also be an intermediary who places the order through the on- line trading platform).
So, a Client's moneys placed with Aruda will initially be placed with Aruda's trust account and may stay with the Market Participant's account or it may eventually be placed in another Market Participant's segregated account for the intermediary and other clients of the Market Participant who is the futures broker on the exchange.
For Client's money deposited in a Market Participant's Segregated Account, the Client acknowledges that:
• individual client accounts are not separated from each other;
• all Clients' funds are co-mingled into Aruda's trust account and then possibly into one or more one Client Segregated Accounts with the intermediary of the Market Participant;

• Trust account and Client Segregated Account provisions may not insulate any individual client's funds from a default in the Market Participant's Client Segregated Account or the trust accounts of Aruda or the intermediary Market Participant; such a default may arise from any Clients' trading or the trading of other customers who use any of the Market Participants;
• Aruda is entitled to all interest earned on its trust account and accounts with the Market Participant, unless and to the extent Aruda otherwise determines;
• assets in the Client Segregated Account with a Market Participant belonging to non-defaulting customers are potentially at risk, even though they did not cause the default;
• a Market Participant has the right to apply all clients' moneys held in its Client Segregated Account to meet the default in that account; and
• all Client moneys may be used to meet any of the Client's liabilities under the Aruda Online Trading Facility.

Clients who trade in Futures Transactions which are OTC contracts may not have the benefit of protective measures provided by the Corporations Act 2001 or an exchange's operating rules. In particular, Clients' funds may not have the same protection as funds deposited in Australia in a Market Participant's Client Segregated Account.

Closing or Expiry

Options have a limited term and expire on standard expiry days set by the Transaction. The expiry day is the day on which the unexercised option expires.
The kind of exercise rights for OTC Derivatives depends on what you agree with Aruda. Please see the CFD PDS at www.aruda.com.au for more information.
The purchaser of an option, whether it is a call option or a put option, has a known and limited potential loss. If a purchased option expires worthless, the purchaser will lose the total value paid for the option (known as the premium), plus transaction costs. Selling ("writing") options may entail considerably greater risk than purchasing options. The premium received by the seller of an option is fixed and limited; however the seller may incur losses greater than that amount.
To close an OTC Derivative position before its expiry, you contact Aruda, either by telephone or other means or using an online trading platform, to determine the current market value or level for the Underlying Security, with the view to closing the position (or part of it). Aruda will confirm the current market value or level and you will then decide whether to accept the value or level, and if so, you will instruct Aruda to close your open position in accordance with your instructions. (A similar procedure applies for exchange-traded Derivatives dealt through the Dealing Facility.)
The total closing value is then determined by multiplying the number of Derivatives by the value or level of the Underlying Security.
On the day that the Derivative is closed, Aruda 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.
• If the OTC Derivative is over shares in a company which becomes externally administered, the Derivative is taken to be closed at that time. If this happens, Aruda will determine the closing price.
• If the OTC Derivative is over shares which cease to be quoted on the exchange on which they were quoted when the Derivative was entered into, or are suspended from quotation for 5 consecutive business days, we may elect to close the Derivative or call additional margin, or both, as determined by Aruda.

Dividends and other corporate actions (share Derivatives)

The taker of the call option or the writer of a put option does not receive dividends (nor confer rights to any dividend imputation credits) or other shareholder benefits on the Underlying Securities until the shares are transferred after exercise.

If there is a corporate action by the company which issues the Underlying Security to which the Derivative relates, Aruda may make an adjustment to the terms of the Derivative in accordance with the terms of the Account. For example, an adjustment will ordinarily be made for subdivisions, consolidations or reclassifications of shares, bonus issues or other issues of shares for no consideration, rights issues and other similar events.

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

Aruda may elect to close a position if an adjustment event occurs and it determines that it is not reasonably practicable to make an adjustment. Aruda may also elect to close a Derivative, if the Underlying Securities are the subject of a takeover offer, prior to the closing date of the offer.

Derivatives do not entitle you to any voting rights in connection with the Underlying Security such as shares.

Fees and Costs

If you use an online trading platform, Aruda will ordinarily be acting as your agent for placing your orders.

If you are dealing with an Aruda dealer directly, ordinarily Aruda will be acting as principal in the transaction with you.

When Aruda acts as principal, it charges a small Transaction Fee. Aruda derives a financial benefit by entering into other transactions with other persons at different rates from those quoted to the Client. The price quoted ordinarily includes the Transaction Fee.

If Aruda is acting as agent, it may earn its remuneration by a separate commission or a commission or spread through quoting you a price for the contract different from the market counterparty's quote. For fees where Aruda is the broker and for other charges and costs, see section 5 of this PDS.

Online Trading Platforms

Aruda enables its clients to trade Futures Contracts and Option Contracts using various trading and information systems which operate over the internet.

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

It is important to note that each Trading Platform can be quite different from others and in most cases will require you to decide if it is the most suitable Trading Platform to support your needs.

If you use an online trading platform, you must carefully read and follow the operational rules for that platform. It may impose special trading rules regarding posting margin cover, (such as when payment is effective) or how Variation Margins are calculated (such as automatic adjustments outside of trading hours, such as during the weekend) or how orders are managed.

The role of the Clearing House

Futures Exchanges generally have a Clearing House. Clearing Houses clear and settle Futures Contracts executed on the Futures Exchange. The primary role of the Clearing House is to guarantee the settlement of obligations arising under the Futures Contracts registered with it. This means that when your broker (such as Aruda) buys or sells a Futures Contract on your behalf, neither you nor your broker needs to be concerned with the credit worthiness of the broker taking the other side of the contract.

The Clearing House will never deal directly with you, rather the Clearing House will only ever deal with its Clearing Participants – that is your broker (where your broker is a Clearing Participant), or where your broker is not a Clearing Participant, (as is the case with Aruda) your broker's Clearing Participant.

The ASX's Clearing House is ASX Clear (Futures) Pty Ltd. The ASX's Clearing House is ASX Clearing Corporation wholly owned subsidiaries, ASX Clear Pty Limited.

When a Futures Contract is registered with the Clearing House, it is novated. This means that the Futures Contract between the two brokers who made the trade is replaced by one contract between the buying broker (or its Clearing Participant) and the Clearing House as seller and one contract between the selling broker (or its Clearing Participant) and the Clearing House as buyer. In simple terms, the Clearing House becomes the buyer to the selling broker, and the seller to the buying broker.

You, as the client, are not party to either of those Futures Contracts. Although Aruda (as your broker) may act on your instructions or for your benefit, the rules of the Clearing House provides that any contract arising from an order submitted to the market is regarded as having been entered into by the executing broker as principal. Upon registration of the contract with the Clearing House in the relevant Clearing Participant's name, that Clearing Participant will incur obligations to the Clearing House as principal, even though the trade was entered into on your instructions.

The Clearing House ensures that it is able to meet its obligation to Clearing Participants by calling margin to cover any unrealised losses in the market.

Generally your Futures Contracts (and those of our other clients) will be held separately from Futures Contracts entered into by us on our own account. If we were to default on our obligations to our clearing broker in respect of our own Futures Contracts, your Futures Contracts will not be used to meet our default. Rather, the clearing broker will either Close Out your open positions or attempt to transfer them to another broker.

Trading Hours

The trading hours during which you can trade in various Futures Contracts and Option Contracts will depend on the relevant Futures Exchange on which they are traded. We refer you to the relevant Futures Exchange website (a list of which is available on our website at **www.aruda.com.au** or by contacting Aruda – refer to section 8 for our contact details).

Futures and Derivatives PDS
Section 4 – Significant Risks

Significant Risks

Using Futures Transactions and Derivatives, including by way of OTC contracts, involves a number of significant risks.

You should seek independent advice and consider carefully whether these Transactions are appropriate for you given your experience, financial objectives, needs and circumstances.
You should consider these significant risks involved in Futures Transactions and Derivatives:

Market Risks: futures trading, including Futures Options, is highly speculative and volatile. There is no guarantee or assurance that you will make profits, or not make losses, or that unrealised profits or losses will remain unchanged. You may incur large losses in short periods of time and may be unable to limit your losses. Your losses may not be limited to the credit balance of your Trading Account or amount of margin paid by you.
The markets in general are subject to many influences which may result in rapid fluctuations and reflect unforeseen events or changes in conditions with the inevitable consequence being market volatility. There may be underlying markets (commodity, FX), whose combined volatility may significantly increase the complexity of movements in pricing of your Transactions (including your close out contracts).
If you are entering into OTC contracts as a hedge, the impact of market volatility will not affect your position unless you have over hedged or under hedged.
Past performance of markets and currencies in particular, is never an assurance of future performance. The value of your Trading Account may fluctuate according to share prices, exchange rates and interest rates, as well as other market conditions which are outside of your control and which cannot be forecast.
Under market conditions from time to time, it could be difficult or impossible to Close Out a Transaction at a price that would confine the loss sustained by you within the amount of your Trading Account.
Your loss on a Transaction could be very substantial, even if you try to close out the Transaction.
Stop-loss orders may not always be filled and, in any event, may not limit your losses to the amounts specified in the order.
Aruda’s ability to close out an OTC Derivative depends on the market for the Underlying Securities.
OTC Derivatives are by their nature not liquid investments in themselves. If you want to exit your OTC Derivative investment early, you rely on Aruda’s ability to close it out early, which might not match the liquidity or price of the Underlying Security.
OTC Derivatives are not Futures Contracts and are not covered by the protections for exchange traded contracts arising under the Corporations Act, the ASX Rules, the rules of SFE Corporation Limited or other exchange.

Margining: You could sustain a loss, greater than and not limited to, the Initial Margin and Variation Margin that you have deposited with us to establish or maintain a Transaction. If the market moves against your position, you are responsible for monitoring and meeting the margin cover requirements. Positions are ordinarily marked to market on a continuous basis.
Your obligation to meet the margin cover is not dependent on Aruda giving you notice of that (i.e. a “margin call”). You may be required to deposit with us a Variation Margin in order to maintain your position. The amount of the Variation Margin may be substantial.
If you fail to provide those additional funds within the required time, your entire position may be liquidated at a loss and you will be liable for any shortfall in your Trading Account resulting from that failure.

If a position is closed out, all of it may be closed not just a proportion needed to cover the margin call.
There is no limit on the amount of margin which may be called in order to meet a revised valuation of your transaction.

Leverage: Transactions under the Aruda Online Trading Facility are leveraged. This can lead to large losses, significantly disproportionate to your initial deposit, margin payments or other moneys credited to your Trading Account.
Leverage gives the user the ability to take a greater level of risk for a smaller initial outlay, thus amplifying the risks and rewards.
However, leverage also increases risks and can magnify losses. Please note that it is possible to lose more than what you have actually invested.

Under or Over Hedge: As a result of your own risk management procedures to match any exposure, you may direct Aruda to add to or Close Out some of your contracts. Please note you are responsible for the cost of any additional hedging of the contracts entered into for adjustment purposes.

Regulatory Bodies: You may incur losses that are caused by matters outside the control of Aruda or a Market Participant. For example, a regulatory authority exercising its powers during a market emergency may result in losses.
A regulatory authority can, in extreme situations, suspend trading or alter the price at which a position is settled. This could also result in a loss to you.

Market Disruptions/Emergencies: A market disruption may mean that you are unable to deal in a derivatives contract when you desire and you may suffer a loss as a result. Common examples of disruption include the “crash” of a computer based trading system, fire or other exchange emergency, an exchange regulatory body declaring an undesirable situation has developed in relation to a particular series of contracts and suspends trading.
Our powers on default, indemnities and limitations on liability: If you fail to pay, or provide security for, amounts payable to Aruda or fail to perform any obligation under your Transactions, Aruda has extensive powers under the Facility Terms with you to take steps to protect our position including, for example, the power to close out positions and to charge default interest. Under the Facility Terms you also indemnify Aruda for certain losses and liabilities, including, for example, in default scenarios. Further, Aruda’s liability to you is expressly limited (to the extent permitted by law) to performing its obligations.
You should read the Facility Terms carefully to understand these matters.

Credit Risk: Credit risk is common to all financial markets products that you may enter with Aruda. Your Trading Account may reflect collateral given to Aruda as security for your performance of your obligations. Aruda has a right to adjust your Trading Account towards satisfaction of any outstanding liability you have to Aruda. Conversely, you are subject to our credit risk. If Aruda were to become insolvent, then we may be unable to meet our obligations to you in full or at all.
When you are trading through an online trading platform, Aruda is acting as your order placement agent; your Transaction will be at the risk of whichever Market Participant with whom Aruda transacts on your behalf. In those cases your Transaction will be subject to the terms which apply in the agreements between Aruda and the Market contracts on your behalf. Aruda takes no responsibility in any

way whatsoever, and will not have any liability of any kind, whether under contact, tort, fiduciary duty or otherwise, for the creditworthiness and performance of those counterparts.
When, in other cases (such as OTC contracts), you are trading with Aruda as principal, you rely on the creditworthiness of Aruda to be able to meet its financial obligations to you.
Aruda's capital adequacy is subject to the conditions of its Australian Financial Services Licence. These require certain minimum capital requirements to be maintained. (Your OTC contracts are not, however, governed by any exchange rules.)

Operational Risk: You rely on Aruda performing its obligations, such as settling your Transactions in a timely and accurate manner. If you have entered into the Transaction with Aruda as principal, that risk is Aruda's responsibility.
Aruda is dependent on its reliability of its own operational processes that include communications, computers and computers networks.
Disruptions in Aruda's processes may lead to delays in the execution, settlement or determination of price of your Transaction. These disruptions may result in outcomes that are less favourable to you.

Legal Risk: Australia, as a member state of the United Nations, is obliged to implement United Nations Security Counsel sanctions. Australia also may be required to implement other international sanctions and sometimes imposes unilateral sanctions. Sanctions can cover several subject matters including financial restrictions. Consequently, Aruda may be prohibited from dealing with certain persons and entities.
This means that if Aruda is aware that you are a proscribed person or entity, Aruda may be required to suspend, cancel or refuse you services or close or terminate any account, facility, transaction, arrangement or agreement with you. We may also be required to freeze your assets. You could incur significant loses or costs as a result of these actions.

Contract Size: The ASX standardises an option contract size at 1,000 Underlying Securities. That means, one option contract represents 1,000 Underlying Securities. This may change if there is an adjustment following a corporate action, such as a new issue of securities or a reorganisation of capital in the Underlying Security.
In entering into any Transaction, neither Aruda nor any of its representatives will advise you, or is to be taken as advising you, as to any strategy, risk profile or financial result.

Online Trading Platforms
There are a number of risks associated with using online based Trading Platforms. Such risks include, but are not limited to, risks related to the use of software and/or telecommunications systems such as software errors and bugs, delays in telecommunications systems, interrupted service, data supply errors, faults or inaccuracies and security breaches.
These risks and the occurrence of disruptive events are outside the control of Aruda and, accordingly, you will have no recourse against Aruda in relation to the use of or availability of our Trading Platforms or any errors in the software and/or related information systems.

Aruda has outsourced the operation of its Trading Platforms to various third parties, and in doing so has relied upon these third parties to ensure the relevant systems and procedures are regularly updated and maintained.

General Risks

Aruda strongly recommends that, if you are not fully familiar with Transactions, you obtain independent legal, financial and taxation advice before proceeding with a transaction.

Further, Aruda recommends that you should consider the following:

• It is your responsibility to understand the nature and risks associated with each Transaction.

• In entering into any Transaction, neither Aruda nor any of its representatives will advise you, or is to be taken as advising you, as to any strategy, risk profile or financial result.

• OTC contracts trading is highly speculative and volatile. There is no guarantee or assurance that you will make profits, or not make losses, or that unrealised profits or losses will remain unchanged.

• Past performance of markets and currencies in particular, is never an assurance of future performance.

• The value of your Trading Account may fluctuate according to exchange rates and interest rates, as well as other market conditions which are outside of your control and which cannot be forecast.

• Trading with Aruda may give rise to actual or potential conflicts of interests, because when Aruda is acting as principal in its Transactions with you and also because it may be transacting with other persons, at different prices or rates, or Aruda will be trading with banks and other market participants. Aruda will make those transactions as principal or as agent, and will do so to hedge its position and with the intention of making a profit.

• Information about prices or rates may come from several sources and may not be current at the time given to you.

Aruda does not take responsibility for information about rates or other financial market data or statements and Aruda relies on your acknowledgment that you do not rely on any such information given to you or discussed with you. Aruda only undertakes to perform the Transaction agreed with you at the price or rate for that Transaction, and not at any other price or rate available in the market.

The risks described here may not include all risk considerations that may be relevant to you when entering into a Transaction and using Aruda Online Trading Facility. Before dealing in these transactions you should be satisfied that the Transaction is suitable for you.

Futures and Derivatives PDS
Section 5 – Costs, Fees and Charges

Important Payment features

Payment Netting

The terms of your Dealing Account with Aruda establish a master facility which applies to all Transactions made under it, subject to the special terms of each Transaction. If you have more than one Transaction with Aruda under the Aruda Online Trading Facility which settles in the same currency on the same date, payments and receipts arising from those Transactions will be netted, so that all settlements are combined and only a single payment is made as between you and Aruda. This will also occur if your Trading Account is terminated and all of your Transactions are terminated early on the same date.

Your Payments to Aruda

If Aruda is acting as your order placement agent for dealings through another party (i.e. a Market Participant), Aruda may be obliged to place your funds first in Aruda's trust account. You then direct Aruda, by the terms of your Aruda Online Trading Facility, to withdraw those funds from the trust account and pay those funds to the Market Participant (as a margin deposit or for fees).

Whenever reasonably practicable, Aruda will arrange to have those funds placed with that Market Participant under a segregated account. This should have the effect of protecting your funds from the Market Participant's own liabilities as principal in all of its transactions, but will not protect your funds from being used by that Market Participant to meet the obligations of Aruda as broker for other clients.

This means that if another client of Aruda who is using Aruda as broker defaults, the Market Participant may access all such funds in the segregated account with it (including yours), to remedy that default. Aruda as broker will not be responsible to any of its clients for losses caused by the default of other clients or of the Market Participant.

Aruda cannot assure any client that funds received by Aruda as broker will in fact be held by the Market Participant under a segregated account, nor will Aruda give notice to any client whether this has occurred.

If Aruda is acting as principal in Transactions with you (such as for OTC contracts), the cash deposits you pay to Aruda as Initial Margin or Variation Margin are paid to Aruda for its own benefit. Those funds need not be placed into a trust account and need not be held on trust for you, although Aruda may choose to do so. Similarly, payments by you to Aruda on settlement of Transactions are for Aruda's own use (although Aruda may choose to place those funds into a trust account).

Depositing money with Aruda

You will only be permitted to deal in and maintain open transactions on the basis of cleared funds being provided to meet your Margin Requirements. It is your responsibility to provide the funds for your margin obligations on time. You should bear in mind accepted Australian banking practice in relation to fund transfers or deposits from other financial institutions, which typically require 3 business days clearance for personal cheques and 1 business days clearance for direct deposits (depending on the timing of your transfer).

Any delay in crediting your Margin Requirements is at your risk. In practical terms, you also need to know and prepare yourself for the methods of depositing money in response to a Margin Call as this may determine if some or all of your open positions are Closed Out.

Some of the methods for depositing money in response to a Margin Call that can be used by you are:

• **Real Time Gross Settlement (RTGS)** – This is an immediate transfer of cleared funds which may or may not be available at the institution that you bank with.

• **Electronic Transfer of Funds (ETF)** – This is a transfer of funds that in most instances if lodged with an Australian bank, will be placed as cleared funds usually within the next business day with Aruda, but can be delayed through various external factors outside of yours or Aruda's control.

• **International Electronic Transfer of Funds (IEFT)** – This is a transfer from an overseas bank that in most instances if lodged with an overseas bank will be placed as cleared funds usually within five (5) business days, but can be delayed through external factors outside of yours or Aruda's control.
• **Bank cheque** – This is a cheque that is issued by a bank that traditionally requires three (3) business days or more to clear and would be required to be deposited with a 'special answer' to be made available as cleared funds the following business day (if required), but can be delayed through external factors outside of yours or Aruda's control.
• **Business cheque and personal cheque** – This is a cheque that is issued by a business or person that traditionally requires three (3) business days or more to clear and would be required to be deposited with a 'special answer' to be made available as cleared funds the following business day (if required), but can be delayed through external factors outside of yours or Aruda's control.

If Aruda receives confirmation of RTGS and EFT, Aruda will determine this as cleared funds. Unfortunately, as IEFT, bank cheques, business cheques and personal cheques can be cancelled or withdrawn, Aruda will need to assess on a case by case basis whether this method of deposit is appropriate or, alternately if cleared funds will still need to be provided by you.

Whilst RTGS or EFT facilities may imply an immediate transfer of funds, you should also be aware that these processes can take additional time which could have some impact on your ability to trade and to control your Open Positions at that time. We recommend that you clarify with your bank or financial institution what timeframes or delays may be experienced in the transfer of funds via RTGS or EFT facilities to Aruda. Aruda will not suggest to you any amount of capital to use to safe guard from a Margin Call.

Fees or commission

We charge fees on each Futures and Futures Option contract executed on your behalf. Our fees vary depending on the type and level of service required, the exchange upon which the Transaction is to be conducted, and the frequency and volume of Transactions executed.

All commission fees for Futures Transactions are charged on a per contract basis. The standard fees you will be typically charged can vary between AUD$12 (incl. GST, if applicable) up to a maximum of AUD$100 (incl. GST, if applicable) per transaction per contract or between AUD$22 (incl. GST, if applicable) and AUD$200 (incl. GST, if applicable) per round turn (total entry and exit of contract).

For Futures Transactions on international exchanges brokerage is charged in the currency of the country of the exchange that you are trading on. On Futures markets in the US for example you will be typically charged between USD10 (incl. GST, if applicable) up to a maximum of USD100 (incl. GST, if applicable) per transaction per contract or between USD20 (incl. GST, if applicable) and USD200 (incl. GST, if applicable) per round turn.

Aruda may charge a fee or commission for a Futures Option exercised or expiring out of the money at the above rates.

The cost of trading in equities options and other Derivatives is made up of: the premium you pay for the contracts (if we act for you as agent, which is ordinarily the case when you trade online) the brokerage you pay us and the fees you pay to any exchange or Clearing House on acquiring the Derivative or exercising it. If you write the Derivative, you will also be required to lodge collateral as margin cover.

Our rates vary depending on the type and level of service required the exchange upon which the transaction is to be conducted (if any) and the frequency and volume of transactions executed. The standard fees you will be typically charged for exchange-traded Derivatives start between 1.2% and 1.85% (including GST if applicable) of the premium, up to a maximum of 3.0% with a minimum of up to AUD$110 (including GST if applicable) per transaction. (In other cases when Aruda is acting as principal, Aruda will derive a financial benefit by entering into other transactions with other persons at different rates from those quoted to the Client and Aruda may also charge a Transaction Fee equivalent to the above charges.)
The fees are paid to us immediately upon execution of the trade, and will be deducted from your Trading Account in accordance with your agreement. Please note that GST if applicable will be charged on all brokerage and fees and will be denominated in the currency of the country of the exchange that you are trading on. The standard fees charged by Aruda generally cover any exchange fees that are payable. Where they are not covered, you will be notified at the time of the transaction. Fees charged by the exchange for execution and clearing of Transactions vary from exchange to exchange and can be found on each particular exchange’s website.
Aruda may charge a brokerage or commission for exercise of an option into a share: refer to the Financial Services Guide (FSG) for fees charged on share transactions. (is this in your FSG?)

Premium

The premium is the price paid for the option which is arrived at by negotiation between the taker and the writer of the option.
For OTC Derivatives, it is the price you agree with Aruda. For exchange- traded options, it is the usually set by the market – whether you are willing to pay or to sell at market prices. Equity option premiums are quoted on a cents per share basis.
To calculate the full premium payable for a standard size option contract, multiply the quoted premium by the number of shares per contract, usually 1,000.
For example, a quoted premium of 10 cents represents a total premium cost of $100.00 ($0.10 x 1,000) per contract. To calculate the full premium payable for an equity index option, you simply multiply the premium by the index multiplier. For example, a premium of 15 points, with an index multiplier of $10, represents a total premium cost of $150 per contract.

Exchange Fees

Fees charged by the exchange vary from exchange to exchange and can be found on that particular exchange’s website. A list of exchange websites can be obtained from Aruda. Exchange fees are charged for execution and clearing of Futures Contracts and equity Derivatives.
Option contracts which are either exercised or assigned will be charged fees in accordance with the relevant Exchange’s fees on which the option is traded.
For example, the ASX’s execution fees vary between $0.90 and $100 per side (GST exclusive) and the clearing fees vary between $0.90 and $40 per side (GST exclusive). These fees vary depending on whether the contract is deliverable or cash settled and the type of contract being traded. Volume rebates may also apply against these fees.
For more detailed information, you should check the ASX fees and charges schedule at www.asx.com.au

Finance Charges
If Aruda places any of your moneys into a Client Segregated Account or a trust account, Aruda will be entitled to earn any interest on positive balances in your Account. It may entirely at its discretion pay such interest, at such rates and for so long as it chooses.
If your Trading Account comes into debit i.e. negative, the interest rate charged on each debit currency balance will be at Aruda's prevailing rate (accruing daily), which changes according to market conditions. (Note: if you have multiple Trading Accounts denominated in different currencies, each Trading Account balance is calculated separately. You may nominate your account balances to be converted into one nominated currency, refer to "Accounts denominated in Foreign Exchange" below.)
The debit interest generally will appear in your statement on a monthly basis, or only at other intervals, such as month end or end of the Transaction, depending on how you are dealing in those Transactions.

Conversion Fee
You will be charged a "conversion fee" when converting currencies to your Base Currency. This occurs each time there is a conversion from a term currency to your Base Currency. This is typically levied at the rate at which the transaction is executed by Aruda plus or minus 40 basis points (0.4%) (depending upon the currency) up to a maximum of 100 basis points (1.00%).

External Fees, Taxes and Charges
You are responsible for any stamp duty, transaction duty, GST or similar goods and services or value added tax payable in respect of trading in Transactions (except for any income tax payable by Aruda). Bank charges and fees imposed on Aruda to clear your funds or in respect of your payments will also be charged to your Trading Account.
Your account terms may allow Aruda to impose other fees or charges from time to time which do not relate directly to Transactions.
For example, you may be required to pay royalty or similar charges set by data providers (e.g. the ASX) for your use of information feeds or for online transaction services. Aruda may debit these amounts to your Account.

Examples
The regulations and practices for exchanges inside and outside of Australia may differ greatly, including margining, local taxes and the rules for trading.
Various Futures trading strategies and examples are explained in detail in the ASX booklet "Trading Futures and Options" which is available on the ASX website at www.asx.com.au

Example 1: Buying a Futures Contract
Buy 1 SFE SPI 200™ Index Futures Contract when the price is 5500 points and then sell a SFE SPI 200™ Index Futures when the price has risen. Aruda's standard charge is AUD$40 (incl. GST) for the round turn including any exchange Fees. The example in this PDS assumes GST is applicable. If the SFE SPI 200™ Index Futures Contract price increased by 100 points to 5600 points then the value of your exposure would have increased to AUD$140,000 (i.e. 5600 x $25). In this case you have effectively made $2500 or a 50% profit on your Initial Margin outlay of

AUD$5,000*. To realise your gain you simply sell your Futures Contract at the higher level.
*The actual margin required varies between approximately 2% – 10%.

TRADING PROFIT AND LOSS	
Transaction	BUY 1, SPI 200 FOR 5500 POINTS SELL 1, SPI 200 FOR 5600 POINTS
Gross Profit	AUD$ 2,500 (5600 – 5500 POINTS @ AUD$ 25 PER POINT)
Commission	= AUD$40 (INCL GST)
Net Profit	= AUD$2,460 (2,500 - 40)

Example 2: Buying a Futures Put Option Contract
Buy a 5450 SPI 200™ Index Put Option for a price of 22 points. The SPI 200 is trading at 5500 points. Close to the expiry day, SPI 200 Options are trading at 5500 and the option premium is now 30 points per option contract.
By paying Aruda the premium of $550 (i.e. 22 points x $25) you have bought the right to sell a Futures Contract for 5450 points before the option expires.
Since you paid $550 for the option you will need the futures price to be below the breakeven point of 5428 to make a profit on the option.
The example shows that while the futures price is above 5428 points the put option buyer would make a loss. The most the call option buyer can lose is the price of the option, worth $550.

TRADING PROFIT AND LOSS	
Transaction	BUY 1, 5450 SFE 200 INDEX PUT OPTION FOR 22 POINTS
Premium Paid	AUD$ 550 (22 @ AUD$ 25 PER POINT)
Commission	= AUD$ 27.50 (INCL GST)

OPTION EXERCISE		CLOSE OUT
Exercise	SHORT 1, SPI 200 INDEX AT 5450 POINTS	
Transaction	BUY SFE 200 INDEX AT 5350 POINTS	SELL 1, SFE SPI 200 INDEX PUT OPTION
Sales Revenue		AUD$ 750 (30 @ 25 PER POINT)
Premium Paid		AUD$ 550
Gross Profit	AUD$ 2,500 (5450 - 5350 @ AUD$ 25 PER POINT)	AUD$ 200 (750 - 550)
Initial Fees & Charges	AUD$ 577.50 (INCL GST) (550 + 27.50)	AUD$ 27.50 (INCL GST)
Commission	AUD$ 55 (27.50 + 27.50)	AUD$ 27.50 (INCL GST)
Net Profit	AUD$ 1,867.50 (2,500 - 577.50 - 55)	AUD$ 145 (200 - 27.50 - 27.50)

Example 3: Buying an Equity Call Option Contract
The examples in this PDS assume 1,000 shares per option contract and GST is applicable.
Assume Commonwealth Bank of Australia (CBA) shares are trading at AUD$8.49.
Anticipating an increase in the share price, you buy a 10 CBA August AUD$8.50 call

for AUD 45 cents per share, or AUD$ 4,500.00 total premium (AUD$0.45 x 1,000 shares per contract x 10 option contracts). If brokerage or commission is charged at 1.1% (including GST) of the premium, with a minimum of up to AUD$82.5 (including GST) on each derivative transaction, then an amount of AUD$82.50 will be charged to your Account.

The Clearing House ASX Clear charges AUD$1.12 (incl. GST) fee per contract for ETO transactions and an AUD$0.55 (incl. GST) fee for exercising a contract.

Close to the expiry day, CBA shares are trading at AUD$9.50 and the option premium is now AUD$1.02 per share. You can exercise the option and buy 10,000 CBA shares at AUD$8.50, which is AUD$1.00 below the current market price, realising a gain of 55 cents per share: AUD$1.00 - AUD$0.45 = AUD 55 cents (excluding fees and commissions).

If brokerage or commission is charged at 1.1% (including GST) of the total transaction value at the strike price, with a minimum of up to AUD$50.00 (including GST) on exercise of the derivative transaction, then an amount of AUD$93.50 will be charged to your Account. If brokerage or commission is charged at 1.1% (including GST) of the total transaction value, with a minimum of up to AUD$50.00 (including GST) on the execution of each shares transaction, then an amount of AUD$104.50 will be charged on the sale of the shares.

Alternatively you can close out the call on ASX's Options Market by selling 10 CBA August AUD$8.50 call for AUD$1.02 (the current premium) and realise a gain of AUD 57 cents per share (excluding fees and commissions).

The 2 cent profit difference between exercising and closing out the call is due to the option having some remaining time value.

If CBA shares had declined over this period, the call premium would also have declined. Depending on the timing and magnitude of the share price decline, the option may have retained some value prior to expiry, allowing you to recoup a portion of the original premium by liquidating the position.

The first table on the following page summarises the two alternatives.

TRADING PROFIT AND LOSS	
Transaction	BUY 10 CBA AUG AUD$ 8.50 CALL FOR AUD$ 45 CENTS PER SHARE
Premium Paid	AUD$ 4,500 (0.45 * 1000 * 10)
Exchange Fees	AUD$ 11.20 (INCL GST) (1.12 * 10)
Commission	= AUD$ 82.50 (INCL GST)

OPTION EXERCISE		CLOSE OUT
Exercise	BUY 10,000 CBA SHARES FOR AUD$ 8.50	
Transaction	SELL 10,000 CBA SHARES AT MKT PRICE OF AUD$ 9.50	SELL 10, CBA AUG AUD$ 8.50 CALL
Sales Revenue		AUD$ 10,200 (1.02 * 1,000 * 10)
Premium Paid		AUD$ 4,500
Gross Profit	AUD$ 10,000 (9.50 - 8.50) * 10,000	AUD$ 5,700 (10,200 - 4,500)
Initial Fees & Charges	AUD$ 4,593.70 (4,500 + 11.20 + 82.50)	AUD$ 93.70 (11.20 + 82.50)
Commission - Option Trade	AUD$ 935.00 (INCL GST)	AUD$ 82.50 (INCL GST)

	(1.1% * 10,000 * 8.50)	
Commission –Shares Trade	AUD$ 1,045.00 (INCL GST) (1.1% * 10,000 * 9.50)	
Exchange Fee	AUD$ 5.50 (INCL GST) (0.55 * 10)	AUD$ 11.20 (INCL GST) (1.20 * 10)
Net Profit	AUD$ 3,420.80 (10,000 - 4,593.70 - 935 - 1,045 - 5.50)	AUD$ 5,512.60 (5,700 - 93.70 -82.50 - 11.20)

Example 4: Buying an Equity Put Option Contract
Say Commonwealth Bank of Australia (CBA) shares are trading at AUD$6.48. Anticipating a fall in the share price, you buy 10 CBA August AUD$6.25 put option for AUD 15 cents per share. If brokerage or commission is charged at 1.1% (including GST) of the premium, with a minimum of up to AUD$82.50 (including GST) on each derivative transaction, then an amount of AUD$82.50 will be charged. The Clearing House ASX Clear charges AUD$1.12 (incl. GST) fee per contract for ETO transactions and AUD$0.55 (incl. GST) fee exercising a contract.
Close to the expiry day, CBA shares are trading at AUD$6.00 and the option premium is now 30 cents per share.
You can exercise the option and sell 10,000 CBA shares at AUD$6.25 which is AUD 25 cents above the current market price, realizing a gain of 10 cents per share (excluding fees and commissions). If brokerage or commission is charged at 1.1% (including GST) of the total transaction value at the strike price, with a minimum of up to AUD$50.00 (including GST) on exercise of the derivative transaction, then an amount of AUD$68.75 will be charged. If brokerage or commission is charged at 1.1% (including GST) of the total transaction value, with a minimum of up to AUD$50.00 (including GST) on the execution of each shares transaction, then an amount of AUD$66.00 will be charged on the sale of the shares.
Alternatively, you can close out the option by selling 10 CBA August AUD$6.25 put at AUD 30 cents (the current market premium) and realise a gain of AUD 15 cents per share (excluding fees and commissions). The AUD 5 cent difference represents time value remaining the option premium. If CBA shares had risen in price over this period, the option premium would have declined. As with the call option, the put option may have retained some value and you may have been able to close out the option to recover some of the initial premium. The second table summarises the two alternatives.

TRADING PROFIT AND LOSS	
Transaction	BUY 10 CBA AUG AUD$ 6.25 PUT FOR AUD$ 15 CENTS PER SHARE
Premium Paid	AUD$ 1,500 (0.15 *1,000 * 10)
Exchange Fees	AUD$ 11.20 (INCL GST) (1.12 * 10)
Commission	= AUD$ 82.50 (INCL GST)

OPTION EXERCISE		CLOSE OUT
Exercise	SELL 10,000 CBA SHARES FOR AUD$ 6.25	
Transaction	BUY 10,000 CBA SHARES AT MKT PRICE OF AUD$ 6.00	SELL 10, CBA AUG AUD$ 6.25 PUT
Sales Revenue		AUD$ 3,000 (0.30 * 1,000 * 10)
Premium Paid		AUD$ 1,500
Gross Profit	AUD$ 2,500 (6.25 - 6.00) * 10,000	AUD$ 1,500 (3,000 - 1,500)

Initial Fees & Charges	AUD$ 1,593.70 (1,500 + 11.20 + 82.50)	AUD$ 93.70
Commission - Option Trade	AUD$ 687.50 (INCL GST) (1.1% * 10,000 * 8.50)	AUD$ 82.50 (INCL GST)
Commission –Shares Trade	AUD$ 660 (INCL GST) (1.1% * 10,000 * 6.00)	
Exchange Fee	AUD$ 5.50 (INCL GST) (0.55 * 10)	AUD$ 11.20 (INCL GST) (1.20 * 10)
Net Profit	AUD$ 446.70 (2,500 - 1,593.70 - 687.50 - 660 - 5.50)	AUD$ 1,312.60 (1,500 - 93.70 - 82.50 - 11.20)

Selling Options
The writing of an option offers you the opportunity to earn premium income. However if your market view proves incorrect you may lose money. The put option writer's market view would be for prices to remain steady or to rise, whereas the call option writer expects the underlying share to remain steady or to fall.

Example for sold call options
Suppose you own 1,000 Commonwealth Bank of Australia (CBA) shares and sell one CBA February AUD$11.00 call option. If your options are exercised, you must sell 1,000 CBA shares in the exercise of the options, at AUD$11.00 per share. If you do not already own CBA shares, you will be obliged to buy 1,000 CBA at the current market price in order to fulfil your obligations to the taker. This may result in a loss if the market has risen above AUD$11.00.
The writer of the call option who does not own the underlying shares has an unlimited loss potential as the stock price could keep rising and the seller would be forced to buy the shares at the current market price in order to deliver them at the exercise price.

Example for sold put options
The seller of a CBA December AUD$5.50 put option is obliged to buy 1,000 CBA shares at AUD$5.50 for the period of the contract but only if called upon by the option taker to do so. If the market price of CBA shares fall to AUD$5.00/share and the taker of the put option exercises the option, the writer is obliged to buy the shares at AUD$5.50/share. On the other hand, if the market price of CBA shares rise to AUD$6.00 it is unlikely that the taker of the put option will exercise it, and if so the put writer will make a net gain of the premium received.
As the above example shows, the seller of the put option has a loss potential if the underlying share price falls. The writer may be forced to buy the shares from the taker at a price which is well above the current market price. The potential loss is limited only by a fall in the share price to zero.

Examples in this PDS:
1. The above examples are to illustrate the impact of key variables on the outcome of a Transaction. They are not forecasts or projections of any particular Transaction.
2. The worked examples illustrate in dollar terms how trading incurs fees (including Aruda's Fees), charges or other payments. These examples are not intended to be exhaustive and document every trading strategy.
3. The examples use simplifying assumptions by not taking into account a Client's tax rate or overall tax position, potential changes in interest rates charged to or earned on the Client's Trading Account or the time value of money. While these variables will undoubtedly change the outcome of a Transaction, they are normal

market variables which cannot now be predicted and so must be taken into consideration by a potential investor in Transactions.

4. Margin requirements, interest rates and external charges may of course change at any time.

Accounts denominated in Foreign Exchange

Your Trading Account may be denominated in Australian dollars and or any other currencies permitted by Aruda from time to time.

If you instruct Aruda to effect a Transaction denominated in a currency different from the denomination of your Trading Account currencies, Aruda will not convert the currency value of your Transaction into the selected currency which may be your local currency but will remain in the currency of the transaction provided an account designated in the similar currency has been set up. A specific instruction from the client is required to perform the FX conversion.

The foreign currency conversions 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. These will impact on the rates of conversion set by Aruda.

Queries and Disputes

Any disputes about fees or charges must be brought to our attention within five (5) calendar days of the fee being applied. Please see the section in this PDS on “Dispute Resolution”.

Futures and derivatives PDS
Section 6 – General Information

Role of Aruda

The terms of your Dealing Facility with Aruda allow you to trade with Aruda as the principal or as your broker (that is, as your agent) in your Transaction with another person as counterparty, such as the quoting bank.

Ordinarily, you will be trading Futures Transactions and exchange-traded Derivatives through online trading platforms with Aruda as your order placement agent. Aruda, as your agent, places the order with another intermediary (in Australia or overseas), who may then place the order directly or indirectly with an exchange. Aruda’s Dealing Facility can allow a range of alternative online trading platforms, which may place orders directly into the market or may use intermediaries. If Aruda is acting as your agent, your risk lies in the intermediaries performing their role of taking an order or placing it, as well as the market exchange performing. Your rights will be limited by the terms of the Market Agreements entered into by Aruda on your behalf.

When in other cases you trade with Aruda as principal, you do not have a Transaction with a quoting bank or any other person. In the Transaction with you, Aruda undertakes all the activity described above as “quoting bank”. (Aruda may of course be dealing with banks or other Market Participants in its own transactions.) Your risk lies with Aruda. You will not have rights against any other person in the market.

When you trade Transactions (such as OTC Derivatives) with Aruda as principal, your risk lies with Aruda. You will not have rights against any other person in the market.
You do not have a transaction with a quoting bank or any other person. (Aruda may of course be dealing with banks or other market participants in its own transactions.)

If you use your own agent
Some clients use an agent to trade on their behalf with Aruda, particularly those who need to hedge their position with commodities Transactions. If you have used your agent to trade with Aruda, our dealings remain legally with you, not your agent. You are responsible to us and we are responsible to you, even though orders may be placed only through your agent with us and we will only communicate with your agent. We obtain our benefit though the pricing of the contracts we offer. You may be required to pay a fee or other charge to your agent. This should be disclosed in your agent's financial services guide to you.
We will rely on your agent to give us your orders and otherwise to give us instructions about your Trading Account or to receive notices from us. We are not obliged to try to contact you directly and will not attempt to do so. You should study your arrangement with your agent carefully and abide by the terms of your agreement with your agent.

Applications
You apply for an Aruda Online Trading Facility by returning to Aruda a completed application form which accompanies the booklet with the Facility Terms.
Individual Transactions are made by contacting your Aruda advisor or using an online trading platform.

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

Cooling Off
There is no cooling off arrangement for Transactions.

Dispute Resolution
Aruda 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 Complaints Officer (by telephone, facsimile, or letter) at the address and telephone/fax numbers provided in this PDS, or by email to complaints@aruda.com.au

Complaints received in writing will be responded to within a fortnight of receipt of your written complaint. We will investigate your complaint, and provide you with our decision, and the reasons on which it is based, in writing.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you have the right to refer your matter to the Financial

Ombudsman Service (FOS). FOS is an external complaints and dispute resolution body. The contact details for FOS are:

Financial Ombudsman Service
G.P.O. Box 3, Melbourne VIC 3001
Telephone 1300 780 808
Web site: www.fos.org

We are a member of FOS complaints resolution scheme. The service to you is free.

The FOS will consider your dispute if:
a. you are an individual or a small business (a Small Business is defined as a business with less than 100 full time employees in manufacturing, or less than 20 employees in any other industry);
b. the amount you are claiming is less than AUD$280,000; and
c. the dispute does not concern Aruda's general policy or practice such as the level of interest rates or fees.

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

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

Privacy
The law requires us to identify clients. We do this by collecting and verifying information about you. We may also collect and verify information about persons who act on your behalf. The collection and verification of information helps to protect against identity theft, money laundering and other illegal activities. All of the information collected by Aruda, in the Application Form or otherwise, is used for maintaining your Dealing Account and for the purpose of assessing whether you, as a prospective Client, would be suitable for the Transactions and financial services.
If you have given us your electronic contact details, we may provide marketing information to you electronically.
In addition, during your relationship with us, we may also ask for and collect further information about you and about your dealings with us.
Aruda has obligations under, and has procedures in place to ensure its compliance with, the Privacy Act 2000. Significantly, these include the following:

1. Collecting personal information
In collecting personal information, Aruda is required to collect only information which is necessary for the purpose described above and ensure that collection of the information is by fair and lawful means; and to take reasonable steps to make you, the individual, aware of why the information is being collected and that you may access the information held by us.
If necessary, Aruda also collects information on directors of a corporate client or agents or representatives of the client. Aruda may be required by law to collect information, such as for taxation purposes or to identify persons who open or operate an account.

Aruda may take steps to verify information given to it, such as consulting registries, referees, employers or credit agencies.
This information will not be disclosed to any other person although Aruda may disclose this information to its related bodies corporate if you intend to use the services of any of those related bodies corporate.

2. Using the personal information
Once Aruda has collected the information from you, Aruda will only use the information for the purposes described above unless you consent otherwise.
Personal information may be disclosed to:
• any person acting on your behalf, including your advisor, accountant, solicitor, executor, attorney or other representative;
• related bodies corporate of Aruda if you use, or intend to use, services of those other corporations;
• any organisations to whom we outsource administrative functions;
• brokers or agents who refer your business to us (so that we may efficiently exchange information and administer your account);
• regulatory authorities; and
• as required or permitted by law or by court order.

This information will not be disclosed to any other person without your consent.
You may access your personal information held by Aruda (subject to permitted exceptions) by contacting Aruda. We may charge you for that access.
As Aruda is obliged by law to take reasonable steps to ensure that the personal information used is accurate, up to date and complete, please inform us immediately if any of the information provided in this section changes.

3. Retaining personal information
Aruda has implemented and maintains secure protection of all personal information obtained from misuse, loss, unauthorised access, modification or disclosure.
The information will be destroyed or de-personalised if Aruda no longer requires the information for the purpose referred to above.

Futures and derivatives PDS
Section 7 – Glossary

Australian Dollars or AUD$ means the lawful currency of the Commonwealth of Australia.
Approved Securities In the case of the SFE, approved securities as defined in the Operating Rules of the SFE.
ASIC Australian Securities and Investments Commission
ASX Australian Stock Exchange
Clearing The process by which futures contracts and options executed on a Futures Exchange are registered and cleared in the name of a Clearing Participant with the relevant Clearing House.
Clearing House
a) Generally a “Clearing House” including the ASX Clear (Futures) or any other body or corporation appointed by the ASX to act as a Clearing House for the ASX;

b) Any Clearing House or clearing facility from time to time operating in or authorised or appointed by any Market on which a broker may trade.
Clearing Participant Any corporation, body or person that is a party to a clearing arrangement with a Clearing House.
Client refers to the person who has the Aruda Online Trading Facility.
Client Money Rules The provisions in Part 7.8 of the Corporations Act and the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with Client monies and property.
The Operating Rules of the Futures Exchange upon which the relevant dealings take place which specify the manner in which the Participant is to deal with Client moneys and property.
Close Out, Closed Out and Closing Out in relation to a Transaction means discharging or satisfying the obligations of the Client and Aruda under the Transaction and this includes: (a) by delivering the amount of relevant underlying commodity required in accordance with the terms of the Transaction; or (b) as a result of the matching up of the Transaction with a Transaction of the same kind under which the Client has assumed an offsetting opposite position.
Commission means the fee from time to time notified by Aruda to the Client to be the commission payable by the Client to Aruda in respect of each Transaction for which Aruda acts as an agent for the Client, which will include a point spread in respect of the buy and sell prices quoted by the Market Participant.
Corporations Act The Corporations Act 2001 of the Commonwealth of Australia, as amended from time to time or if the Corporations Act 2001 should be repealed or cease to any extent operate, then that legislation that is enforced in the State of New South Wales or any other State or Territory as the case may be from time to time in partial or complete substitution for the Corporations Act 2001 and references to specific provisions of the Corporations Act 2001 are to be construed as references to the provisions of that replacement legislation.
Dealing Account means your account with Aruda established under the Facility Terms, including all Trading Accounts and all Open Transactions in them.
Derivative means a transaction between the parties to settle a contract by delivering Underlying Securities or by paying in cash an amount dependent on the market price of the Underlying Securities or by reference to an index, on the terms set of the Aruda Online Trading Facility Account, or, if applicable, the rules of an exchange.
Aruda Online Trading Facility means the terms of your Aruda Facility with Aruda by which you trade Transactions.
Facility Terms means the terms of your Aruda Online Trading Facility with Aruda by which you trade Transactions.
Foreign Exchange means currency including Australian Dollars and foreign currency.
Futures Contract means a Futures Transaction which is exchange traded.
Futures Option means an option over a Futures Transaction, usually an exchange traded option over a Futures Contract.
Futures Transaction means any transaction, whether exchange traded or an OTC contract, to buy or sell a specific quantity of a described commodity at an agreed date in the future, whether or not it is physically settled or capable of being physically or cash settled, and includes an option for such a transaction.
Good 'til Cancelled (GTC) An instruction that the order does not expire at the end of the trading day, although it normally terminates at the end of the trading month.
Initial Margin means an initial deposit or a margin payment, by whatever terms they are described, and any like payments.

Limit Order An order to buy or sell a specified amount of a futures contract at a specified price or better.
Long A bought position in a futures contract.
Margin means the balance of the amount of cash or other assets required to cover dealing through a Trading Account.
Market Agreement means an agreement entered into by Aruda with a Market Participant (whether or not in writing) pursuant to which Aruda enters into Transactions on behalf of the Client.
Market Order An order to buy or sell a futures contract immediately at the current price.
Market Participant means a person who either:
(a) has been issued with an authority from the Reserve Bank of Australia to engage in Transactions as dealer or agent when such authority is required for those Transactions: or (b) holds an Australian financial services licence, authorising it to deal in Transactions (including to arrange Transactions, whether by online trading platforms or otherwise), or a duly authorised agent of such dealer.
Market On Open Order An order to buy or sell a futures contract at the best available price at the beginning of the trading session.
Market On Close Order An order to buy or sell a futures contract at the best available price in the closing minutes of the trading session.
Operating Rules a. the rules, regulations and by-laws made by the ASX or contained in the constitution of the ASX that deal with the activities and conduct of the ASX and its members, the activities and conduct of each Clearing House for the ASX and the activities and conduct of other persons in relation to each Market conducted by the ASX; and
b. in relation to any other Market, Futures Exchange or Clearing House, the articles, constitution, rules, by-laws, regulations, customs and practices of that Market, Futures Exchange and Clearing House.
OTC Contract means an over-the-counter contract for a financial product, including Futures Transactions.
Price means, in relation to a Transaction, the price or rate quoted by Aruda or by a Market Participant (as adjusted for any Commission) and agreed to by the Client to express the value of the Transaction or the Underlying Security the subject of that Transaction.
RBA: Reserve Bank of Australia
Short A sold position in a futures contract.
Strike Price Another word for the Exercise Price.
Trading Account means your account with Aruda established under the Facility Terms for a specific method of dealing, and is part of the Dealing Account. You may have several Trading Accounts within your Dealing Account, such as a Trading Account for online trading in Futures and a separate Trading Account for Derivatives trading.
Transaction means any of the kinds of Futures Transactions or Derivatives which are traded under the Facility Terms. Aruda means Aruda Pty Limited
ABN 50 084 146 403 AFSL 338 674.
Underlying Security means the reference security, other financial product or index underlying the Derivative.
Variation Margin The difference between the value of a futures contract when it is initially bought or sold and its value marked to market at any given time.

Futures and Derivatives PDS
Section 8 – Directory

Aruda Pty Ltd

Address
PO BOX 3794
Mosman NSW 2088

Telephone: (612) 8004- 0234
Fax: (612) 9869 3776

Website: www.aruda.com.au
Email: info@aruda.com.au