

trading.com

REGULATORY DISCLOSURES

ASIC Regulatory Guide 227 requires Margin FX and CFD issuers to publish certain information addressing a range of disclosure benchmarks. These benchmarks are required to be addressed on an 'if not, why not' basis, and are intended to assist retail investors to properly understand the complexity and risks of trading in OTC derivative products, particularly with regard to leverage.

There are 7 disclosure benchmarks required to be addressed. Trading.com Markets Pty Ltd ("trading.com") addresses its compliance with each benchmark in the table in section 5 of our Product Disclosure Statement (PDS):

COUNTERPARTY RISK HEDGING

trading.com is a market maker, not an agent, when dealing in over-the-counter derivatives such as margin FX contracts and Contracts for Difference. Accordingly, trading.com acts as principal in all transactions with you in respect of these specific financial products. When we receive your instructions and execute them, we are the party on the other side of the transaction and the party with whom you are entering a contract.

- trading.com's hedging policy is to be 100% hedged at all times on client risk
- trading.com will review its outstanding risk on a regular basis to ensure all open risk is 100% hedged
- trading.com meets its counterparty obligations with operating money

Once trading.com and the client enter into a contract, trading.com will also enter into a position with Trading.com Markets EU Ltd (or another affiliate company within the Trading Point Group) (technically, its counterparty) to hedge its exposure to its client.

Accordingly, trading.com will be exposed to counterparty risk to both its clients and the hedge position with its counterparty.