Fortune Prime Global

PDS

Authorised
Dealer in Securities

Product Disclosure Statement

Fortune Prime Limited

Trading as Fortune Prime Global (FPG)

Company Number 700507

Issued 7th November 2021

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1. Important Information

1.1. This Product Disclosure Statement (“PDS”) is dated 7th November 2021 and is prepared by Fortune Prime Limited trading as Fortune Prime Global (“FPG”), company number 700507, incorporated in Vanuatu and regulated by the Vanuatu Financial Services Commission (VFSC) as an authorised securities dealer.

1.2. All financial products issued by FPG are over the-counter-derivative financial products (Margin FX and CFD products) and are not exchange-traded financial products.

1.3. This PDS has been prepared to help you decide whether Margin FX and CFD products are appropriate for your financial objectives, situation and needs. It has not been prepared to take into consideration your current financial needs or objectives.

1.4. We will not give you personal product advice. Information we provide is general information only. Any information provided to you on our website, through the platform, by our Client Management Team, via E-email, via Live chat, via telephone, via QQ, via WeChat, via Telegram, via Skype, via Facebook, via social media, at any training events or otherwise is generic and must not be treated as advice that is suitable for you or based on a consideration of your personal financial circumstances. Such information is provided merely to assist you in exercising your own judgment when trading with us and we are not responsible for the investment decisions that you make. Accordingly, before applying to trade with us, you must consider your objectives, financial situation and needs, and the risk of loss which accompanies the prospects of profit associated with trading in Products. We cannot guarantee specific results from trading in Products.

1.5. You should be mindful of the risks of trading Margin FX and CFD products and note that you can incur losses when trading. Returns are not guaranteed. Your potential liability is not limited to the amount you pay or we keep in the FPG Trust Account, we may ask you to pay amounts in excess of those amounts to cover any shortfall.

1.6. Transactions involving Margin FX and CFD products are highly leveraged and involve many risks. FPG recommends that before trading begins that you understand and accept these risks.

1.7. Potential investors should be experienced in OTC and derivative financial products and understand and accept the risks of investing in FPG Products. This PDS does not constitute advice to you on whether FPG Products are appropriate for you. This PDS describes the FPG Products which are issued to you in accordance with our terms and conditions. You should read all of this PDS and the Financial Product Service Terms before making a decision to deal in financial products covered by this PDS.

1.8. FPG also recommends that you seek independent advice to ensure this is appropriate for your particular financial objectives, needs and circumstances.

1.9. If we accept your application to trade FPG products, this is not personal advice or any other advice to you. Our decision to open an Account for you is separate from your decision to trade FPG Products.

2. Purpose and Contents of this Product Disclosure Statement (“PDS”)

2.1. This PDS is designed to provide you with important information regarding margin foreign exchange (FX) and Contract for Difference (CFD) transactions we utilize 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
- 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

2.2. The provision of this PDS to any person does not constitute an offer to any person of any interests to whom it would not be lawful to make such an offer.

2.3. The information in the PDS is subject to change from time to time and changes to content that are not materially adverse will be posted on our website.

3. Name of Service Provider

The Service Provider: Fortune Prime Limited, Vanuatu Company Number 700507

Registered office and business address: 1276 Govant Building, Kumul Highway, Port Vila, Vanuatu

Phone: +61(0)280184648

Email: support@fortuneprime.com

Website: www.fortuneprime.com

4. Applications

4.1. If you wish to apply for a Margin FX and CFD account you must complete the FPG application via our website agreeing to the information held in this PDS.

4.2. Our assessment of your suitability is based on the information we ask and you provide. As a result of our assessment we might limit some features for your Account.

4.3. When we receive a completed Application from you, we may use your information to conduct any further enquiries about you as we, in our sole discretion, determine are necessary or appropriate in the circumstances (including but not limited to, confirmation of your identity, sanctions screening, and obtaining references from your bank or your employer (as applicable)). You should provide us with information about any relevant factors that could affect your trading activities with us. Where our enquiries include searches with credit reference agencies, they may appear on your credit history. We may also carry out any additional checks that we, in our sole discretion, determine are necessary or appropriate in the circumstances to combat fraud and money laundering or if your Account becomes dormant. You will need to co-operate with us and supply any information that we request promptly. We reserve the right to periodically review any information that you have provided and to make periodic searches of, and provide information to, credit reference and/or any other agencies (as applicable) where we have a legitimate reason for doing so.

4.4. We may accept or reject Applications in our absolute discretion. If we accept your Application and open an Account for you, we will confirm this in email and provide you with details on how to access your Account through the Platform.

4.5. Even if we assess you as suitable to commence trading FPG Products with us, we urge you to use our demonstration accounts for a while to ensure you are familiar with the terminology of FPG Products and how they work.

5. Other Jurisdictions

5.1. The offer to which this PDS relates is available only to persons receiving the PDS who reside and have citizenship in such jurisdictions where they are permitted to transact with FPG (“registered jurisdictions”).

5.2. The distribution of this PDS in jurisdictions outside FPG registered jurisdictions may be subject to legal restrictions. Any person who resides or who is located outside FPG registered jurisdictions who gains access to this PDS should comply with any such restrictions, as failure to do so may constitute a violation of local financial services laws.

5.3. Restricted jurisdictions include, but are not limited to: Australia, Canada, Iran, North Korea and the United States of America. FPG may modify this list from time to time in line with internal compliance policies.

6. Products covered in this PDS

6.1. This is a PDS for FX and CFD contracts provided by FPG. These are over the counter (“OTC”) contracts.

6.2. The Products offered under this PDS are instruments that allow you to make a profit or loss from fluctuations in the price of an Underlying Reference Instrument. The price of a Product is based on the price of an Underlying Reference Instrument,. FPG Products do not result in the physical delivery of the currency, commodity, or underlying product. All FX and CFD products are cash adjusted or Closed Out by the client i.e. there is no physical exchange of one currency for another

6.3. The CFDs offered by FPG are based on the price of underlying financial instruments including the following (Please refer to our website for an up to date list of the Underlying Reference Instruments, which changes from time to time):

- Share Indices;
- Commodities; and
- Foreign Exchange (Forex)
- Cryptos

By entering into a Trade, you are either entitled to be paid an amount of money, or required to pay an amount of money, depending on movements in the price of the Product. The amount of any profit or loss made on a Trade may be determined by:

(a) the change in the Price of the Product from when you open the Trade until the Trade is closed;

(b) the lots traded;

(c) any Holding Costs, spreads or Commissions relating to the CFD.

7. Transaction Types

7.1. Margin FX transactions are over-the-counter (“OTC”) derivatives. They are not exchange-traded. Margin foreign exchange products can be differentiated from foreign currency as they allow the investor an opportunity to trade foreign exchange on a marginal basis as opposed to paying for the full value of the currency. In other words, investors are required to lodge funds as security (initial margins) and to cover all net debit adverse market movement (variation margins) i.e. positions are monitored on a mark-to-market basis to account for any market movements.

When clients are making a loss to an extent that they no longer meet the margin requirements they are required to “top up” their accounts or to “close out” their position.

There is high degree of leverage in FPG Products because you pay to FPG only Margin, not the full face value. All payments to FPG for FPG Products are paid as Margin, therefore the more Margin you pay, the less leverage you have.

A Spot FX product is an OTC agreement to exchange one currency for another at an agreed rate. Accordingly, in every exchange rate quotation, there are two currencies. The exchange rate is the price of one currency (the “base” currency) in terms of another currency (the “terms” currency) such as the price of the Australian dollar in terms of the US dollar.

For example, if the current exchange rate for the Australian dollar as against the US dollar is AUD/USD 0.70000, this means that one Australian dollar is equal to, or can be exchanged for, 70 US cents

FX Products traded cannot be settled by the physical or deliverable settlement of the currencies on their Value Date; rather, these financial products can be rolled or swapped indefinitely until you decide to Close Out the Transaction i.e. FX Products do not have set expiry dates and will remain open until Closed Out.

7.2. A CFD (contract for difference) is a leveraged financial instrument that will fluctuate in value based on the price of the underlying asset. This asset could be the price of gold, the value of a share, share index or of a particular commodity. This financial instrument does not provide ownership to the underlying asset and does not entitle you to delivery of the asset at any stage. As the instrument is not being traded directly on the exchange, the contract is an over-the-counter (OTC) product.

A CFD is an agreement between yourself and FPG to exchange the difference in value from when the contract is opened to when it is closed. If the value of the CFD has moved in your favor, you will be paid an amount into your trading account, should the value of the CFD move against your position, the value will be deducted from your account.

Whilst you have open positions on CFD products, you may attract financing costs or swaps after each rollover (00:00 server time). This financing cost or swap is based on the underlying asset you are trading and is subject to change.

7.3. Index CFD's provide you a way to speculate on the overall performance of a basket of shares in a particular country. This provides you exposure to the overall market rather than risk of an individual equity or share. They can also be used to take positions on the direction of a whole market without taking a view on the prospects for any particular company's shares.

Indices allow you to trade anticipated market trends rather than individual shares or other financial products. In addition, Margin requirements for Indices are typically lower than for Equity CFD.

Indices do not have set expiry dates and will remain open until Closed Out

The swap that is applied will be tripled for positions held over the Friday to Saturday rollover period.

7.4. Some instruments, such as futures, have set expiry dates. This information is available within the specifications of the symbol itself on the trading platforms. When the expiry is reached, the contract will be closed at the last rate that is available.

Once the contract has expired, the position in the previous futures contract will be automatically rolled over to the new front running futures contract. The difference between the two contracts in relation to the underlying price will be adjusted for in the way of a cash adjustment to the trading account.

In the situation where the new contract is trading at a premium / higher price, long positions will receive a negative adjustment whereas short positions will receive a positive adjustment. Should the reverse situation occur and the new contract is trading at a discount / lower price, long positions will receive a positive adjustment and short positions will receive a negative adjustment. In addition, positions may be charged a spread at the time of rollover. Open positions will be rolled over indefinitely until closed.

We offer the following major Cryptocurrency OTC Contracts being Bitcoin, Bitcoin Cash, Ethereum, Litecoin and Ripple. Cryptocurrency OTC Contracts gives you indirect exposure to cryptocurrency markets whose prices are derived from cryptocurrency exchanges or the cryptocurrency Hedge Counterparties that we deal with. For an updated list of the Cryptocurrency OTC Contracts that are available, refer to the Online Platform. All Cryptocurrency OTC Contracts will be cash settled.

A Cryptocurrency OTC Contract is opened by either buying or selling by reference to the USD. For example, if you were buying Bitcoin (BTCUSD), you would be buying Bitcoin by selling a reference amount of USD, whereas if you were selling Bitcoin, you would be buying Bitcoin by buying a reference amount of USD.

8. How is the Exchange Rate Calculated

8.1. FPG cannot predict future Exchange Rates and our quotations are not a forecast of where we believe a FX rate will be at a future date. The decision to transact at a particular Exchange Rate will generally be the client's decision.

8.2. However, FPG may Close Out a client's open position if the client fails to meet their Margin Requirements. In this situation, the decision to transact at a particular Exchange Rate would be at FPG's discretion. The price to be paid or received for FX products offered by FPG, at the time the product is purchased or sold, will be based on the price FPG is quoted from its hedging counterparties which is a complex calculation based on estimates of market prices and the expected level of interest rates, implied volatilities and other market conditions.

9. Calculating Profit and Loss

9.1. The profit or loss from a transaction is calculated by keeping the units of one of the currencies constant (the "base" currency) and determining the difference in the number of units of the other currency (the "terms" currency). The profit or loss will be expressed in the units of the currency which is not kept constant.

10. Purpose of Margin FX and CFD trading

10.1. People who trade in Margin FX and CFD trading may do so for a variety of reasons. Some trade for:

10.1.1. **Speculation**: Speculating is profiting from fluctuations in the price or value of the underlying instrument or security, with a view to profiting from fluctuations in the underlying market, For example, traders may be short-term investors who are looking to profit from intraday and overnight market movements in the underlying currency. Traders may have no need to sell or purchase the underlying currency themselves, but may instead be looking to profit from market movements in the currency concerned.

10.1.2. **Hedging**: can be used as important risk management tools. Some people hedge their exposures to the underlying currency. Foreign exchange exposures may arise from a number of different activities such as:

- Companies or individuals dependent on overseas trade, and wish to limit exposure to currency risk.
- An exporter who sells its product priced in foreign currency has the risk that if the value of that foreign currency falls then the revenues in the exporter's home currency will be lower.
- An importer who buys goods priced in foreign currency has the risk that the foreign currency will appreciate thereby making the cost, in local currency terms, greater than expected.
- A person going on a holiday to another country has the risk that if that country's currency appreciates against their own, their trip will be more expensive. In each of the above examples, the person or the company is exposed to currency risk.

10.2. Currency risk is the risk that arises from international business which may be adversely affected by fluctuations in exchange rates. FPG offers its clients the facility to buy or sell foreign exchange products to manage this risk. This enables clients to protect themselves against adverse currency swings, yet secure enhanced exchange rates when offered, thereby protecting the profit margin made by the corporate during the business transaction relating to the foreign currency trade or protecting the cost of the client's international holiday in the case of the traveler.

11. Key benefits of trading in FX products

11.1. FX products provide important risk management tools for those who manage foreign currency exposures. FPG offers its clients the ability to buy and sell foreign currency using Margin FX. This enables clients to protect themselves against adverse currency market swings. The significant benefits of using FX products offered by FPG as a risk management tool are to protect your exchange rate and provide cash flow certainty. These and other benefits are as follows:

11.2. **Protect an Exchange Rate**

FPG provides an online trading platform, enabling clients to trade in OTC derivatives such as Margin FX over the internet. This facility provides clients with direct access to our system to enable them to buy and sell currency rates to protect themselves against adverse market swings. FPG also offers clients a way of managing volatility by using stop loss orders that enable clients to protect themselves against adverse market swings yet secure enhanced market rates when offered. Clients can eliminate downside risk by the use of stop loss orders if the exchange rate reaches a particular level. In addition, clients may also use limit orders which allow clients the opportunity to benefit from favorable upside market movements.

11.3. **Provide cash flow certainty**

By agreeing a rate now for a time in the future you will determine the exact cost of that currency, thereby giving certainty over the flow of funds. Any profit (or loss) you make using the FPG product would be offset against the higher (or lower) price you physically have to pay for the foreign currency.

In addition to using margin foreign exchange products as a risk management tool, clients can benefit by using margin foreign exchange products offered by FPG to speculate on changing exchange rate movements. You may take a view of a particular market or the markets in general and therefore invest in our products according to this belief in anticipation of making a profit.

The significant benefits of using margin foreign exchange products offered by FPG as a trader or a speculator (and for the client seeking to use the FPG product as a risk management tool) are as follows:

11.4. **Trade in small amounts**

The FPG system enables you to make transactions in small amounts. You can start using FPG even with an opening balance as little as USD $200 or equivalent. When trading in a contract offered by FPG you may deposit the amount which is in line with the amount you are willing to risk. With FPG you are in full control of your funds. FPG allows trading with as little as $2 margin requirements.

11.5. **Access to the foreign exchange markets at any time**

When using FPG you gain access to a highly advanced and multi-levelled system which is active and provides you with the opportunity to trade 24 hours a day, 5 days per week on any global market which is open for trading. This gives you a unique opportunity to react instantly to breaking news that is affecting the markets. It should be noted however, that trading in the various currency crosses may be restricted to hours where liquidity is available for any given currency cross.

11.6. **Profit potential in both rising and falling markets**

Since the market is constantly moving, there are always trading opportunities, whether a currency is strengthening or weakening in relation to another currency. When you trade currencies, they literally work against each other. If the EURUSD declines, for example, it is because the US dollar gets stronger against the Euro and vice versa. So, if you think the EURUSD will decline (that is, that the Euro will weaken versus the dollar), you would sell EUR now and then later you buy Euro back at a lower price and take your profits. The opposite trading scenario would occur if the EURUSD appreciates.

11.7. **Superior liquidity**

The foreign exchange market is so liquid that there are always buyers and sellers to trade with. The liquidity of this market, particularly with respect to that of the major currencies, helps ensure price stability and low spreads. The liquidity comes mainly from large and smaller banks that provide liquidity to investors, companies, institutions and other currency market players.

11.8. **Real time streaming quotes**

The FPG high-edge system uses the latest highly sophisticated technologies in order to offer you up-to-the-minute quotes. You may check your accounts and positions in real time and you may do so 24 hours a day on any global market which is open for trading and make a trade based on real-time information. FPG believes it is highly important for you to be able to control your funds whenever you wish and base your deals on real-time information.

11.9. **Leverage**

The use of FPG Products involves a high degree of leverage. These OTC products enable a Client to outlay a relatively small amount (in the form of Initial Margin) to secure an exposure to the full face value of the products. This leverage can work against you as well as for you. The use of leverage can lead to large losses as well as large gains.

12. Key Risks of Margin FX and CFD trading

12.1. You should be aware that trading in Margin FX and CFD products involves a number of risks. It is important that you carefully consider whether trading these products is appropriate for you in light of your investment objectives, financial situation and needs. The following is a description of the significant risks associated with trading Margin FX and CFD products:

12.2. **Derivatives Risks Generally**

Derivative markets can be highly volatile. Accordingly, the risk of loss in trading in derivatives contracts can be substantial. You should carefully consider whether our products are appropriate for you in light of your personal and financial circumstances. In deciding whether or not you will become involved in trading derivatives, you should be aware of the following matters:

- You could sustain a total loss of the amount that you deposit with FPG to establish or maintain a contract. If the derivatives market moves against your position, you will be required to immediately deposit additional funds as additional margin in order to maintain your position i.e. to “top up” your account. Those additional funds may be substantial. If you fail to provide those additional funds, FPG may close your positions. You will also be liable for any shortfall resulting from that closure.
- Under certain market conditions, it could become difficult or impossible for you to manage the risk of open positions by entering into opposite positions in another contract or closing existing positions.
- Under certain market conditions the prices of contracts may not maintain their usual relationship with the underlying foreign currency market.
- The Margin FX and CFD products offered by FPG involve risk. However, the placing of contingent orders such as a stop loss order will potentially limit your loss. A stop-loss order shall be executed at or near the exchange rate requested by the client but is not guaranteed at the exact level. Accordingly, stop-loss orders may not limit your losses to the exact amounts specified. A transaction of this nature shall be executed as soon as the exchange rate is identical to the order given by the client.
- A “spread” position (i.e. the holding of a bought contract for one specified date and a sold contract for another specified date) is not necessarily less risky than a simple “long” (i.e. bought) or “short” (i.e. sold) position. Furthermore a “spread” may be larger at the time you close out the position than it was at the time you opened it.
- A high degree of leverage is obtainable in trading Margin FX and CFD products because of the small margin requirements which can work against you as well as for you. The use

of leverage can lead to large losses as well as large gains. The impact of leverage is that even a slight fluctuation in the market could mean substantial gains when these fluctuations are in your favor, but that could also mean considerable losses if the fluctuations are to your detriment.

- As a result of high volatility, low liquidity or gapping in the underlying market, clients may receive re-quotes, slippage or hanging orders. Hanging orders are often already executed, but sit in the terminal window until they can be confirmed.
- Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in Margin FX and CFD.
- There are no cooling-off arrangements for Margin FX and CFD. This means that when FPG arranges for the execution of a Margin FX and CFD contract, you do not have the right to return the product, nor request a refund of the money paid to acquire the product.
- Your potential losses on FPG Products may be unlimited

12.3. **Market Volatility**

Foreign exchange currency markets are subject to many influences which may result in rapid currency fluctuations and reflect unforeseen events or changes in conditions with the inevitable consequence being market volatility.

Given the potential levels of volatility in the foreign exchange markets, it is therefore recommended that you closely monitor your positions with FPG at all times. Due to such volatility, in addition to the spread that FPG adds to all calculations and quotes, no such Margin FX or CFD product offered by FPG, or any other financial services provider, may be considered as a safe trade. FPG does not accept or bear any liability whatsoever in relation to losses incurred due to Market Volatility.

12.4. **System Risk**

Operational risks in relation to the FPG Trading Platforms are inherent in every FX Contract or CFD. For example, disruptions in FPG's operational processes such as communications, computers, computer networks, software or external events may lead to delays in the execution and settlement of a transaction.

Clients receiving a disruption to the Trading Platforms must call the trading desk in order to open/close positions. In the event a disruption occurs on the FPG side, you may be unable to trade in a FX or CFD offered by FPG and you may suffer a financial loss or opportunity loss as a result.

FPG does not accept or bear any liability whatsoever in relation to the operation of the FPG Trading Platforms.

12.5. **Execution Risk - Slippage**

FPG aims to provide you with the best pricing available and to get all orders filled at the requested rate. However, there are times when, due to an increase in volatility or volume, orders may be subject to what is referred to as "slippage". This most commonly occurs during fundamental news events or gapping in the markets. The volatility in the market may create conditions where orders are difficult to execute, since the price might be many pips away due to the extreme market movement or Gapping. Execution is subject to available liquidity at any and all price levels. Although you may be looking to execute at a certain price, the market may have moved significantly or liquidity exhausted, in which instance your order would be filled at the next best price or the fair market value. FPG does not accept or bear any liability whatsoever in relation to Slippage.

12.6. **Execution Risk - Delays in Execution**

A delay in execution may occur for various reasons, such as technical issues with your internet connection to the FPG servers, which may result in hanging orders. The Trading Platforms on your computer may not be maintaining a constant connection with the FPG servers due to a lack of signal strength from a wireless or dial-up connection. A disturbance in the connection path can sometimes interrupt the signal, and disable the Trading Platforms, causing delays in transmission of data between your Trading Platform and FPG's servers. FPG does not accept or bear any liability whatsoever in relation to delays in Execution.

12.7. **Reset Orders**

Market volatility creates conditions that make it difficult to execute orders at the given price due to an extremely high volume of orders and/or available liquidity and therefore may be reset. By the time orders are able to be executed, the Bid/Offer price at which FPG's counterparty is willing to take a position may be several pips away. For Limit Entry or Limit Orders, the order would be rejected and reset until the order can be filled. FPG does not accept or bear any liability whatsoever in relation to Reset Orders.

12.8. **Hanging Orders**

During periods of high volume, hanging orders may occur. This is a condition where an order sits in the "orders" window after it has been executed. Generally, the order has been executed, but it is simply taking a few moments for it to be confirmed. During periods of heavy trading volume, it is possible that a queue of orders will form. That increase in incoming orders may sometimes create conditions where there is a delay in confirming certain orders. FPG does not accept or bear any liability whatsoever in relation to Hanging Orders.

12.9. **Hedging**

The ability to hedge allows you to hold both buy and sell positions in the same product simultaneously. You have the ability to enter the market without choosing a particular direction. While the ability to hedge is an appealing feature, you should be aware of the factors that may affect hedged positions. It is important to note that even a fully hedged account may suffer losses due to rollover costs, exchange rate fluctuations or widening spreads. Such losses may even trigger a Margin Call.

12.10. **Automated Trading Strategies**

The use of Automated Trading Strategies (Expert Advisors) on the FPG Trading Platforms is high risk. FPG has no control over the logic or code used by these systems to determine orders to trade. Trading with any system that you leave to run and trade your account without being present may cause significant financial loss and FPG does not accept or bear any liability whatsoever in relation to the operation of the Automated Strategies on the FPG Trading Platforms.

12.11. **Execution Risk – Rollover**

All the positions which remain open until 23:59 (Server time) will be subject to rollover. The positions will be rolled over by debiting or crediting the client's trading account with the amount calculated in accordance with the Rollover/Interest fees. During the rollover period trading will be disabled to prevent widened spreads caused by the "end of day" in New York. This can last for 5 to 10 minutes and you will not be able to trade at this time. You may suffer financial loss or gain as a result. FPG does not accept or bear any liability whatsoever in relation to the Rollover period.

12.12. **Stop orders and Limit orders are not guaranteed**

The placing of a stop order can potentially limit your loss, however, we do not guarantee that a stop order will do so. Similarly, a limit order can maximize your profit but there is also no guarantee of this. This is because, for example, foreign exchange markets can be volatile and unforeseeable events can occur which mean that it is possible that stop orders and limit orders may not be accepted, or may be accepted at a price different to that specified by you. You should anticipate being stopped out at or limited at a price worse than the price you set. You may suffer losses as a result. FPG does not accept or bear any liability whatsoever in relation to Stop orders and Limit orders.

12.13. **Credit Risk**

You have a credit risk on FPG when your Equity has a net credit balance. Your credit risk:

- Depends on the overall solvency of FPG, which is affected by FPG's risk management
- Is affected by your limited recourse against FPG

13. Margin Obligations

13.1. Margin FX contracts and CFDs are subject to margin obligations i.e. clients must deposit funds for security/margining purposes. Accordingly, you are responsible to meet all margin payments required by FPG.

13.2. **Types of Margin**

There are two components of the Margin Requirement which you may be required to pay in connection with Margin FX and CFDs, namely Initial Margin and Variation Margin.

13.3. **Initial Margin**

When you enter or open a Contract, and while that transaction remains open, you will be required to pay FPG the Initial Margin. This amount represents collateral for your exposure under the transaction and covers the risk to FPG. Depending on the Currency Pair or CFD traded, and the market volatility, the Initial Margin will typically be between 1% and 10% of the face value of the Contract. However, it is not uncommon for Initial Margins to be above this range. The percentage requirement may change at any time and at the discretion of FPG and you should refer to the Initial Margin schedule on the relevant Trading Platform to confirm the actual percentage requirement for your proposed transaction at any particular time. The full value of the Initial Margin is payable to FPG immediately upon entering the Contract.

13.4. **Variation Margin**

As the face value of your Contract will constantly change due to changing market conditions, the amount required to maintain the open positions will also constantly change. This is also commonly referred to as Variation Margin. The amount of your Margin Requirements (being the Initial Margin and any adverse Variation Margin) at any one time will be displayed in the open positions report made available through the Trading Platform. Thus, any adverse price movements in the market must be covered by further payments from you. FPG will also credit Variation Margin to you when a position moves in your favor. The Variation Margin is therefore the unrealized profit or loss on your open positions which is equal to the dollar value movement of your Contract calculated from the quoted price at which you entered the Contract compared against the current quoted price. We will provide you with notice of the Variation Margin by making a Margin Call via online platform. We note that Margin Calls are made on a net account basis i.e. should you have several open positions with respect to a particular Trading Platform, then Margin Calls are netted across the group of open positions. In other words, the unrealized profits of one transaction can be used or applied as Initial Margin or Variation Margin

13.5. **Notifications regarding Margin Requirements**

When you have Open Positions, you are also liable to meet all calls for Margin. Margin Calls will be notified to you using the Trading Platform, and you are required to log into the system regularly when you have open positions to ensure you receive notification of any Margin Calls. It is your responsibility to actively monitor and manage your open positions and your obligations, including ensuring that you meet your Margin Requirements. It is also your responsibility to ensure you are aware of any changes in the Margin Requirements. FPG is under no obligation to contact you in the event of any change to the Margin Requirements or any actual or potential shortfalls in your account.

13.6. **Failing to meet a Margin Call**

If you do not meet Margin Calls immediately, some or all of your positions may be Closed Out by FPG without further reference to you. FPG will automatically, without requiring further instruction from you, apply funds to meet your Margin Requirements. For this reason, you must ensure that you have sufficient cleared funds on deposit to meet your changing Margin Requirements i.e. monies in addition to meeting the Margin Requirements as a buffer against adverse Variation Margins arising. Please be aware that if your account balance is not sufficient to meet your Margin Requirements and you have not met a Margin Call, the Trading Platform may Close Out some or all of your open positions at the risk of generating a loss which is greater than the value of your account. Please note that this could be immediate if certain global events occur.

There is no limit as to when you need to meet Margin calls, how often you may be called or the amount of the Margin calls.

This obligation to meeting Margin calls is in addition to your obligation to maintain positive Free Margin on your Trading Account.

IMPORTANT: If you fail to meet any Margin Call, then FPG may in its absolute discretion and without creating an obligation to do so, Close Out, without notice, all or some of your open positions and deduct the resulting realized loss from the Initial Margin value (and any other excess funds held in your account with FPG). Any losses resulting from FPG Closing Out your position will be debited to your account and may require you to provide additional funds to FPG.

You are liable to meet all calls for Margin for your Trading Account. - There is no limit as to when you need to meet Margin calls, how often you may be called or the amount of the Margin calls. - The timing and amount of each Margin call for your Trading Account will depend on movements in the market price of the Open Positions and the changes to the Equity. - You have an obligation to meet the Margin call even if FPG cannot successfully contact you. - You have a risk of all of your FPG Products being Closed Out if you do not meet the requirement to meet a Margin call. - This obligation (to meet Margin calls) is in addition to your obligation to maintain positive Free Margin for your Trading Account.

13.7. **How Margin Calls are to be met**

When we make a Margin Call you must deposit the amount of funds that we request into our nominated account. All funds received from clients are held, used and withdrawn in accordance with our terms and conditions. All interest that may accrue on the client trust account is kept by FPG. Margin Calls must be met immediately. This means that sufficient cleared funds must be deposited in your account in addition to meeting the Margin Requirements as a buffer against adverse Variation Margins arising and thus, meeting Margin Calls immediately.

It is your responsibility to pay your Margin and meet Margin call payments on time and in cleared funds. You should maintain a prudent level of Margin and make payments in sufficient time to be credited to your Account.

14. How FPG Products are traded

14.1. When trading the FX products offered by FPG you should be aware of the risks and benefits and review examples of how FPG Products can be traded. Clients primarily transact in our products using online Trading Platforms provided by FPG. Accordingly, clients are provided with direct access to our quoted prices over the internet.

15. Electronic Trading Platform

15.1. FPG provides access to margin FX trading via an online trading platform created by MetaQuotes called MetaTrader. 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. FPG has outsourced the operation of its Trading Platform to MetaQuotes – www.metaquotes.net and in doing so has relied upon these third parties to ensure the relevant systems and procedures are regularly updated and maintained. Please visit www.metaquotes.net for relevant information on how to use the online platform.

15.2. When you submit a request to place an order, FPG has the discretion as to whether or not to accept and execute any such order.

16. Trading Hours

16.1. CFDs can only be traded or closed during the open market hours of the relevant Exchange on which the Underlying Instrument is traded or during any more limited hours set from time to time by FPG. Open hours of the relevant Exchanges are available by viewing the relevant Exchange's website. This means that you are able to view live prices and place live orders during these hours. Outside these hours, you may still access the Trading Platforms and view your account, Market Information, research and our other services. However, there will not be any live prices or trading. It is at the sole discretion of FPG to provide services to you outside these hours.

17. Client Money

17.1. We will deposit and hold any money we receive from you on trust in a segregated trust account established, and are segregated from FPG's own funds. We may hold your money in one or more trust accounts with other client money. We will not be liable for the solvency or any act or omission of any bank holding the trust accounts.

17.2. We do not use client money for the purpose of meeting obligations we incur when Hedging with other counterparties. We fund any obligations we incur in connection with such transactions from our operating cash account. In addition, we do not use client money to meet the trading obligations of other Clients.

17.3. Monies lodged or deposited with us to meet margin requirements, are not treated as funds belonging to FPG but are treated as funds belonging to and held as security for the client's liabilities and obligations towards FPG. Client funds are at all times separate from FPG's operational funds. FPG pays no interest income on such funds.

17.4. You understand that an account at FPG is neither a financial asset nor a means of payment. A transfer of funds to a third party is not permitted.

17.5. It is possible that another of FPG's clients might go into deficit. Therefore any funds you may have paid to FPG may not be protected if there is a default in the overall client trust account balance. If this occurred, FPG would use its best endeavors to retrieve your funds and the funds of other clients. No assurance is given by FPG that there cannot be a deficit in the trust account that could cause you loss.

17.6. FPG has a comprehensive policy in place to cover a variety of different scenarios some of which may assist in the repayment of deficits. However, if FPG was not able to source these funds it could be that FPG itself was insolvent and unable to provide financial services. You could therefore become an unsecured creditor to FPG.

18. Risk Capital

18.1. In cases where you are speculating, we suggest that you do not risk more capital than you can afford to lose. A good general rule is never to speculate with money which, if lost, would alter your standard of living.

19. Fees and charges

19.1. FPG offers several different trading accounts that feature different spreads and charges:

- Commissions
- Holding Costs
- Spread Costs

19.2. FPG may charge a Transaction Fee (which may be described as "commission" on the platform) on each FPG Product that is executed. Our rates vary depending on the type and level of service required, and the frequency and size of Transactions.

19.3. The Transaction Fee that you will be actually charged is disclosed on your statement.

19.4. The fee accrues immediately upon execution of the Transaction, i.e., when you Open or Close the FPG Product. The Transaction Fee will either be reflected in the execution price as an additional component to the spread pricing or separately, i.e., not included in the spread pricing.

19.5. Our holding costs for Margin FX Contracts is a variable rate that is dependent on the currency pair, the applicable swap rate in the interbank markets according to the duration of the rollover period, the size of the Position and the FPG Spread that is applied at our discretion. The interbank swap rate that is applied reflects the interbank market demand of the interest rate differential between the two applicable currencies. For example, if you have a long Australian Dollar / US Dollar (AUD/USD) Position and hold it over the 5PM American EST time (End of Day) and interest rates are higher in AUD than in USD, then you may receive a swap benefit. This is because you are long the highest yielding currency. Conversely, if you were short AUD/USD in the above scenario then you may receive a swap charge at the FPG Swap Rate. In circumstances where the two interest rates are near parity, almost equal to each other, a swap charge may be imposed for both Long and Short open positions. A double negative swap rate implies that there is no interest advantage gained by borrowing in one currency to then invest in the other.

19.6. The holding costs that is applied will also be tripled for positions held on the Wednesday – Thursday roll over. Due to the settlement structure within the spot market, trades that are open on Wednesday will be settled on the following Monday and therefore there is a need to account for interest earned / charged over this period.

19.7. When requesting a price quote for FPG Products you will notice that there is a Bid Price and an Ask Price (collectively ‘the quotes’) being a lower and higher price at which you can place your Order. The difference between the Bid Price and Ask Price is termed the Spread costs and it provides an indication of where you can buy FPG Products at, being the higher price, and where you can “sell” FPG Products at, being the lower price.

19.8. As FPG is a market maker, these Prices represent where FPG will buy Products at Sell Price and sell Products at Buy Price. These Prices may not be the same as prices quoted in the relevant Underlying Market. At any time, the Sell Price represents the current Price to sell Products, and the Buy Price represents the current Price to buy Products. When your Order is executed at one of these Prices, in order for you to break even or realize a profit or loss, the Price you exit your Trade at needs to be at least equal to the original Sell Price or Buy Price that you entered in at; if you trade at the Buy Price, the Price you exit your Trade at needs to reach the Sell Price and vice versa. This should be factored into your trading decisions.

20. Conflicts of Interest

20.1. We, our Associates or other Persons connected with us may have an interest, relationship or arrangement that is material in relation to any Product you enter into with us. You agree that we may conduct such business without your prior consent. In addition, we may provide services to third parties whose interests may be in conflict or competition with your interests. We, our Associates or other Persons connected with us and the employees of any of them may, or may act on behalf of other Clients who may, take positions opposite to yours or may be in competition with you to acquire the same or a similar position. From time to time we may effect Trades with or through our Associates in connection with the Products and Services we provide. We will not deliberately favor another Person over you, but will not be responsible for any loss which may result from such competition. We are a Product issuer, not a broker. Accordingly, you will be trading Products directly with us, and not on any financial market. As a Product issuer, we set the Prices that refer to, but may not always be the same as those in the Underlying Market. We will always act as a principal, not as an agent, for our own benefit in respect of all Trades with you. We may also conduct trades as principal in the Underlying Reference Instruments on which Products are based, including shares and futures. In particular, we may at our sole discretion, Hedge our liability to you in respect of your Positions by undertaking trades in the Underlying Reference Instruments in the Underlying Markets. However, we have no obligation to do so and are under no obligation to inform you as to whether or not we have done so. These trading activities may affect (positively or negatively) the Prices at which you may trade Products.

21. Dispute Resolution

21.1. FPG wants to know about any problems you may have with the service provided to you so we can take steps to resolve the issue. FPG has an internal dispute resolution procedure to resolve complaints from clients who receive financial services. If you wish to make a complaint, you should contact FPG in the first instance.

21.2. If you have a complaint about the financial product or service provided to you, please take the following steps:

1. Contact your FPG Adviser and provide the details of your complaint. You may do this by telephone, live chat or email.

2. If your complaint is not satisfactorily resolved through your FPG Adviser, within 5 business days of receipt of your complaint, please contact the Compliance Department in writing by emailing compliance@fortuneprime.com.

3. FPG Compliance Department will try to resolve your complaint quickly and fairly. We will use our best endeavors to try to resolve your complaint within 45 days of receipt of your written complaint unless we advise you that we require more time due to the nature of your complaint or other reasonable consideration.

4. If you are dissatisfied with the outcome, you may contact the Vanuatu Financial Services Commission. Guidance for addressing complaints against a Financial Dealers notes are available on the VFSC website (www.vfsc.vu) Financial Dealers section.

21.3. Initially, all complaints will be handled and investigated internally. Should you feel dissatisfied with the outcome, you have the ability to engage legal counsel.