

# **DISCLOSURE STATEMENT**

## **ABOUT THIS DISCLOSURE STATEMENT**

This Disclosure Statement is issued by Advanced Global Markets. This is an important document and should be read in its entirety.

Before making a decision to invest in the financial products we offer, you must consider your own financial circumstances, needs and objectives to determine if trading in leveraged Products is appropriate for you. We recommend you obtain independent financial and taxation advice concerning this Disclosure Statement and the Client Services Agreement.

Trading speculative leveraged products is more risky than trading non leveraged investment products (such as conventional share trading) and can result in losses that may be in excess of your initial outlay. If you do not understand the risks associated with such products or are not willing to accept the risks or potential losses, you should not enter into any such transaction. These risks are further outlined in Section 4.

This Disclosure Statement provides you with information about the following:

1. General Information
2. Trading with Advanced Global Markets
3. Key features and characteristics of Spot Foreign Exchange and CFD's
4. Risks associated with trading the products offered
5. Fees and charges
6. Advanced Global Markets Agreement

This Disclosure Statement should be read in conjunction with the Client Services Agreement (CSA) and the word Contract used in this document is as defined in the CSA.

### **1 General information**

**1.1 Earlier Disclosure Statements.** This Disclosure Statement replaces all previous versions. This Disclosure Statement is dated January 10, 2014. Any updates to this Disclosure Statement (that are not materially adverse to investors) will be available on our website or without charge by contacting us directly. Where updated information is materially adverse to investors, Advanced Global Markets may issue a supplementary or revised Disclosure Statement.

**1.2 Regulation** Advanced Global Markets is fully licensed and regulated by the VFSC. Advanced Global Markets is permitted to conduct the activities of offering clients the ability to trade in the Spot Foreign Exchange market.

**1.3 Representations** Advanced Global Markets's products are offered solely on the basis of the information and representations contained in this Disclosure Statement and associated documents and no other information or representation is authorised nor is any person authorised by Advanced Global Markets to give any form of information to clients or make any other representation whatsoever other than as outlined in this Disclosure Statement.

**1.4 Currency** All financial amounts quoted are in US Dollars unless otherwise specified or the context implies to the contrary.

**1.5 References** References to any Issuer, Underlying Asset, Index or Underlying Market to which a Contract relates are included purely for the purpose of identifying the underlying security and/or asset. They are not an endorsement (express or implied) of any Contract by such Issuer or Underlying Market and such company or other entity does not accept responsibility for any liability with respect to the product. Advanced Global Markets does not have any affiliation with any Issuers or Underlying markets and has no information concerning those entities other than that which is available in the public domain. Advanced Global Markets will not accept any liability or responsibility for, and makes no representation or warranty, express or implied, as to the accuracy or completeness of such information.

**1.6 Jurisdiction** The distribution of this Disclosure Statement may be restricted in certain jurisdictions outside Vanuatu. Persons into whose possession this Disclosure Statement becomes available are required to inform themselves of, and observe, such restrictions. This Disclosure Statement does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation. If you are a non Vanuatu resident for tax purposes, you should note: • The law governing your dealings with Advanced Global Markets is the law of Vanuatu • Your rights against Advanced Global Markets are restricted as set out in the Client Services Agreement. • Your money will be held and disbursed in accordance with Advanced Global Markets's strict client segregation policy. • Times and Dates are as in New York EST unless otherwise stated.

**1.7 Advanced Global Markets does not give advice** Advanced Global Markets does not give personal and/or financial product

advice. While Advanced Global Markets may provide general financial information, this information does not take into account your personal circumstances and should not be construed as a recommendation that these types of Contracts are right for you or that any particular course of action is recommended. We recommend you seek independent, expert advice before making a decision as to the suitability of the product for you.

**1.8 CFD trading** is offered through **Advanced Global Markets Inc.**, International Business Company # **21668 IBC 2013**, Suite 305, Griffith Corporate Centre, PO Box 1510, Beachmont, Kingston, St. Vincent and the Grenadines all CFD trades will be processed through this separate subsidiary which has regulatory approval for CFD trading

**2 About Advanced Global Markets** Advanced Global Markets is an investment house that provides spot foreign exchange and CFD's trading services to a diversified client base that ranges from financial institutions through to private individuals.

**2.1 Contact and trading details** Advanced Global Markets operates its offices 24 hours 6 days per week to coincide with the first market to open on Monday (Vanuatu) to the last market to close on Friday (New York). Advanced Global Markets has its registered Head Office in Vanuatu with representatives around the world. Our contact details are as follows:

Advanced Global Markets, 2nd Floor Transpacific Haus, Lini Highway Port Vila, 1000, Vanuatu

Email: [info@ag-markets.com](mailto:info@ag-markets.com)

Web: [www.ag-markets.com](http://www.ag-markets.com)

### 3 Investment Advisers disclosure statement

**3.1 Initial Disclosure** Neither the Company nor any of its Directors have been: (a) convicted of an offence under the Securities Markets Act 1988, the Securities Act 1978, or of a crime involving dishonesty (as defined by the Crimes Act 1961); or (b) a Director or Principal officer of a body corporate at the time the body corporate committed such an offence; or (c) adjudged bankrupt; or (d) prohibited by an Act or by a court from taking part in the management of a company or a business (e) the subject of an adverse finding by a court in any proceeding that has been taken against the dealer in a professional capacity (f) expelled from, or prohibited from being a member of a professional body

**3.2 Procedures for Dealing with Money & Property** (a) In transferring money to Advanced Global Markets the Client must ensure that it obtains the Segregated Client Bank Account details of Advanced Global Markets before transferring money. (b) All money received from the client is held in a separate Segregated Client Bank Account in accordance with Advanced Global Markets client segregation policy. (c) Records will be kept pertaining to the activity of the account and are available to the client via the internet. Records are also kept in respect to contracts entered into by the Client with Advanced Global Markets and include online order placement logs, phone tapes and chat logs. All of these records are available on request by the client. (d) The Client consents to Advanced Global Markets holding client money in a Specified Client Investment and acknowledges that Advanced Global Markets will earn interest in connection with the client's cash deposits in its ordinary course of business.

(e) The financial records including the Segregated Client Bank Accounts will be audited at year end. At the time of publishing this Disclosure Statement an auditor had not been appointed. This document will be amended to reflect the auditors name when appointed.

**3.3 Investment advice** Advanced Global Markets does not give personal investment advice. We recommend you obtain independent financial and tax advice concerning the Client Services Agreement and Disclosure Statement before you open an account.

**4 Risk disclosure statement** You should seek independent advice before deciding whether these types of products are appropriate for you given your experience, objectives and needs. You must be aware of the risks involved and that you can both gain and lose large amounts of money. The risk of loss in trading in these type of products can be substantial. You should therefore carefully consider whether this kind of trading is appropriate for you in light of your financial circumstances. In deciding whether or not you will become involved in that kind of trading, you should be aware of the following matters:

You could sustain a total loss of the initial margin funds that you deposit with Advanced Global Markets to establish or maintain a position in a particular Contract; (b) if the market price moves against your position, you may be required, at short notice, to deposit with Advanced Global Markets additional margin funds in order to maintain your position. Those additional funds may be substantial. If you fail to provide those additional funds within the required time, your position may be liquidated at a loss and in that event you will be liable for any shortfall in your account resulting from that failure; (c) under certain conditions, it could become difficult or impossible for you to liquidate a position (this can, for example, happen when there is a significant change in prices over a short period); (d) the placing of contingent orders (such as a "stop-loss" order) may not always limit your

losses to the amounts that you may want. Conditions may make it impossible to execute such orders; (e) a "spread" position is not necessarily less risky than simply "long" or "short" position; (f) the high degree of leverage that is obtainable in trading these type of products because of small margin requirements, can work against you as well as for you. The use of leverage can lead to large losses as well as large gains; and (g) if you propose to trade in options, the maximum loss in buying an option is the amount of the premium, but the risks in selling an option are the same as in other Contracts. (h) Market risk and financial risk are generally the two types of risk associated with owning equity securities (e.g. stocks, shares in a company) Market risk is associated with the movement of the stock market in general. Financial risk is the risk associated with the financial condition and profitability of the Company in question. Companies with smaller capitalizations may experience higher growth rates and higher failure rates than companies with larger capitalization. The two types of risks all fixed income securities are subject to are credit risk and interest rate risk. Credit risk relates to the ability of the issuer to meet the interest and principal payments on a security as they become due. Generally, higher yielding lower grade bonds have a higher credit risk than lower yielding investment grade bonds. Interest rate risk is characterized by fluctuations in the price of fixed income securities resulting from changes in the prevailing interest rates. These risks mean that investments in lower grade securities are at greater risk of not achieving the income or value gains expected from such securities and that the investments net value is at greater risk of decline. This statement does not disclose all of the risks and other significant aspects involved in trading these types of products. You should therefore study trading the particular product you wish to trade carefully before becoming involved in it.

## 5 Fees and charges

**5.1 Administrative charges** Advanced Global Markets will pass through fees and charges for certain administrative services that may occur in the course of your dealings with us. These services include: wire transfers, credit card transactions, duplicate statements by post, audit certificates, etc.

**5.2 Margin, Rollover and Financing Rates** (a) Margin Rates Initial Margin is the amount we debit from your account as soon as you open a new position. This protects us in event of sudden market change or default by you. Generally this amount is calculated as a percentage of the value of the Contract. Please refer to our website or contact us directly for the current margin rates offered by Advanced Global Markets. (b) Financing Rates (Swaps) You should be aware that for positions held past the end of the day's trading, you will either need to pay an overnight charge for financing the contract value or you receive an amount of the contract value. This is due to interest rate differentials between currencies, commonly referred to as Swaps. Positions closed before the end of day are not subject to overnight financing (Swap) charges, and are therefore well suited to intra-day trading.

**5.3 Trading Commissions** The commission charged for each Contract will depend upon the particular Contract and will be deducted from your account as soon as the Contract is executed. Details of the commission paid by you will be detailed on the online trading systems as well as your statement. We will advise you at your last known email address whenever our commission rates change. Commissions are based on total US dollar amount of the executed order. Commissions are instantly and automatically calculated on currency pairs that do not have the US dollar as their base. Our detailed reporting system within the platform keeps track of all trades and commission charges. The detailed statements show when and how the commission was calculated based on best available conversion rate available during execution of the trade.

**6 Advanced Global Markets Agreement** Your Agreement with Advanced Global Markets consists of this Disclosure Statement and Client Services Agreement. We require that you read all these documents prior to opening an account with us. Should you have any queries or concerns or require clarification of any matter contained within these documents, please contact us prior to opening an account. Our relationship in respect of any Agreement that you enter into with us is governed by our Client Services Agreement and Disclosure Statement. These must be agreed to before you open an account with us.

Transactions in CFDs, futures and leveraged foreign exchange carry a high degree of risk. The amount of initial margin is small relative to the value of the CFDs, futures contract or leveraged foreign exchange transaction so that the transaction is highly 'leveraged' or 'geared'. A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit; this may work against you as well as for you. You may sustain a total loss of the initial margin funds and any additional funds deposited with the firm to maintain your position. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice in order to maintain your position. If you fail to comply with a request for additional funds within the specified time, your position may be liquidated at a loss and you will be liable for any resulting deficit in your account.

## Risk-Reducing Orders or Strategies

The placing of certain orders (e.g. 'stop-loss' orders, where permitted under local law, or 'stop-limit' orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. At times, it is also difficult or impossible to liquidate a position without incurring substantial losses. Strategies using combinations of positions, such as 'spread' and 'straddle' positions may be as risky as taking simple 'long' or 'short' positions.

## Currencies

Spot Contracts in Australian Dollar, British Pound, Canadian Dollar, Euro, Hong Kong dollar, Japanese Yen, Korean Won, New Zealand Dollar, Swiss Franc, and United States Dollar etc.

## Margined Spot Foreign Exchange Contracts

These are leveraged contracts for an agreed quantity of foreign exchange at an agreed exchange rate. The agreed quantity of foreign exchange underlying this contract is not deliverable. This contract is valued and renewed daily at current market closing rates and the resulting profit or loss at the renewed contract price (the roll price) is debited or credited to the clients account. The contract is continually renewed at the roll rate on a daily basis until the client closes the contract by taking an opposite position in the market for the same quantity of foreign exchange in the same currency. Margined Foreign Exchange Contracts are also known as "Rolling Spot Contracts".

