WHS TRADING RULES

Version: JUL. 2019

WH SELFINVEST
Est. 1998
Luxembourg, France, Belgium, Switzerland, Germany, Netherlands

Your contractual engagements require that you carefully read this document on the rules of trading and all information available on our website before placing your first order on the trading platform.

WHS has the right to modify these rules without prior notice.

Trading with leverage and/or short selling can lead to losses that exceed your initial deposit.*

Clients are fully responsible for any negative balances on their account and need to cover any unsecured debit within 5 working days.

The last version of the trading rules is always available on WHS website.

Please contact WHS support desk if you have any questions or concerns regarding these trading rules.

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* Leverage is limited to 1 for Belgian residents with an account in our Belgium branch.

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Symbol details, trading hours, expirations, spreads

SYMBOL DETAILS

Any precise information about an instrument (Trading hours, spreads, expirations) can immediately be found under Symbol Details directly inside NanoTrader. Do a right-click on the instrument and then Symbol details and Market Information.

TRADING HOURS

Forex contracts are continuously tradable 24 hours a day from Sunday evening till Friday evening.
Most CFDs have the same trading hours as those of the underlying instrument. Others trade continuously like Forex contracts. Use Symbol details to look for precise info.

EXPIRATION

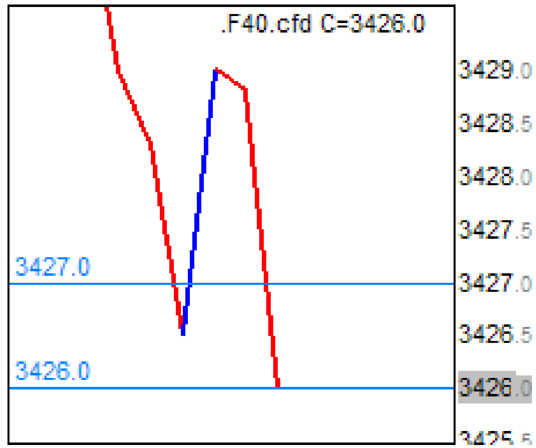
Some CFD contracts are based on futures that expire at a certain date. Contract specifications – such as monthly or quarterly expiration, etc. – are available in the platform under Market Information. Also the underlying market websites are useful to find this type of information.

You cannot keep a position after its expiration date. If you forgot to close a position on a contract was about to expire, the position will automatically be closed at the settlement price determined by the market.

If you wish to remain in position on the underlying symbol, you will have to roll the position, i.e. close the existing position and reopen a position on the new contract. It is best to roll a position between 1 to 3 days before expiration because the liquidity on the underlying futures may drop in the final days.

SPREADS

Spreads on CFD on commodities can however vary according to the liquidity of the underlying markets.

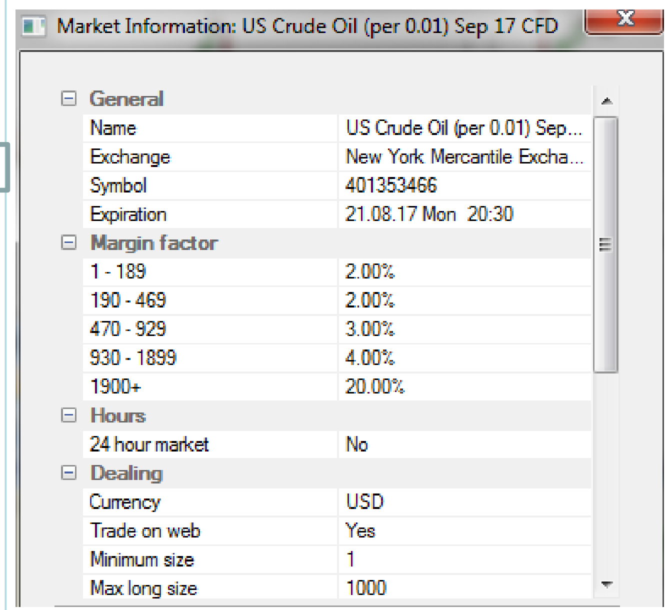


CHARTS

For CFDs there is no last filled price such as on the stock exchange. Charts on the platform are not based on the last filled price but on the current Bid price.
Less experienced investors often mention that their Buy Stop has been wrongly filled because the chart didn't reach the Stop. However, this remark is incorrect: When the Ask (which is always above the Bid) reaches the Stop, a market order is activated. It is then possible that the Bid did not reach the Stop when the order was activated.

MARKET INFORMATION

Below is an example of market information:
- On the US Crude Oil Futures Sept.2017 the Sept. contract expires on 21/08/2017.
- To roll the position, before this date, one needs to:
Long Position > Sell the expiring contract (Sept) and buy the next expiration (Oct.).
Short Position → Buy the expiring contract (Sept) and sell the next expiration (Oct.).
- Margin factor is 2% for this contract (see next pages).
- This instrument is not tradable 24h/24h.
- It is a USD denominated contract.



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Point value, com. based vs spread FX, min. distance, orders

POINT VALUE – POSITION SIZE

CFD contracts are based on very different financial instruments. Therefore, the point value of a CFD contract can vary from contract to contract.

Instrument	Spread	Margin day	Margin night	Tick	Tick value	Currency
US Crude	as low as 4	2%	2%	0,01	1	USD

The Tick column corresponds with the minimum difference between two consecutive prices. A tick is expressed in a CFD point.
The Tick Value shows the cash or monetary value of a tick and the currency of the tick value is shown in the next column. From these sets of information it is possible to determine the value of a point for a CFD contract. The following example shows how:

CFD contract: US Crude Oil
Tick : 0,01 point
(1 point is in this case 100 ticks)
Tick value : 1 USD

One point will therefore be USD 100 (= 1/0,01). If 1 contract WTI Crude is bought at USD 45.00, this will in fact be a position worth USD 4500
(=1 x 45 x 100)

ADVICE : Check out the tick value in the instruments tables before trading a CFD you are not familiar with.

FX: Commission based vs. Spread based

Clients have the choice between a FX model where variable spreads are offered, without any order commission.
The alternative is a model where a fixed spread is offered combined with a fixed order commission.

The spreads for both models will vary between the different currency pairs. More information about our spreads can be found inside the platform as well as on our website.
https://www.whselfinvest.com/en/trading_information_cfd_forex.php

For both the models, the minimum trade size is 1000, which means that 1000 of the first currency is traded against the counter amount in the second currency of the pair.
Above the minimum trade size any amount can be traded.

Minimum distance and conditional distance for FX

The system requires an order to be placed a certain minimum distance away from the current Bid/Ask price. In special conditions like just in front of important news events, the minimum distances may be changed temporarily to Conditional minimum distances instead of the normal minimum distances.
The general rule is that on the 'majors' the minimum distance can go up by 3 times the normal distance, on the others it may double.
The rule is applied roughly 5 minutes before the data and removed shortly after.

PLACING ORDERS

Clients can place their orders directly via their online trading platforms. Orders can only be placed during the trading hours of the instrument for which the order is being placed. E.g. On the EUStocks50 the trading hours are between 08.00 and 22.00. Outside these hours no order can be placed, modified or cancelled. Also during the weekend there are restrictions.

VALIDITY OF ORDERS

By default, orders will be valid GTC. This means the order will remain working till the moment when it is executed or when it is cancelled again. In some cases the client might be able to select another type of validity for an order.

INSTRUCTIONS FOR PLACING A TELEPHONE ORDER

In order to place your trade please provide the following information:

- your account number +
  your email address for identification
- instrument/contract
- the volume of your order
- the type of order
  market, limit, stop, OCO, Par./cont.
- the price at which you would like your order placed

8.00 – 22.00 CET→
Call on this number : **+352 42 80 42 80**

For opening trades per telephone, WHS might be restricted to trade a certain minimum.
e.g; on F40 the minimum is 3 lots, on FX the minimum is 5000.
Closing trades can be done for all trading sizes.

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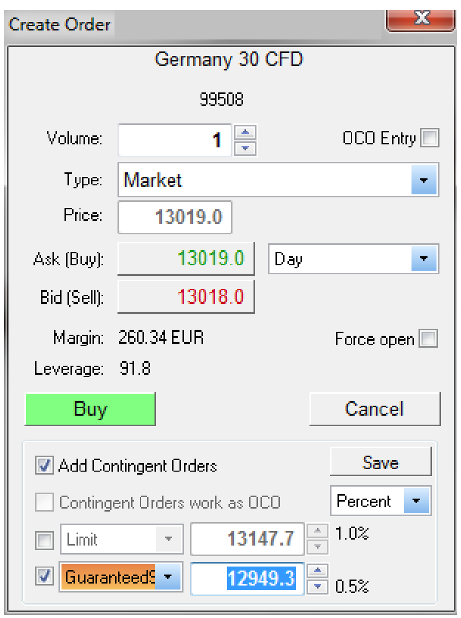
Order execution, weekend stop and limit orders

ORDER EXECUTION

Market orders are executed at the best available price. Buy orders are executed against the best available ASK price. Sell orders against the best available BID price. The price that appears in the client's ticket prior to submission is the last price only and does not constitute the actual execution price.
Limit orders are executed at the price designated by the client or if possible at a better price.
Stop orders activate a market order when the price level designated by the client (the trigger) has been hit. This market order is then filled at the next available price. Buy Stop orders are filled at the best Ask price. Sell Stop orders are filled at the best Bid price. The filled price can be slightly different than the issued stop signal. Price evolution isn't necessarily continuous and gaps might occur.

A **guaranteed stop** is a stop order with a fill price that is guaranteed. This fill price corresponds with the issued stop price. A fixed number of points is charged upon execution of the order. The issued stop price has to be placed at a minimum distance from the current market price.



In this example a parent order to buy at 13019 is combined with a guaranteed stop.
The minimum distance of this stop away from the entry level of the parent order is at 0.5%.

WEEKEND STOP AND LIMIT ORDERS

Please bear in mind that Stop orders only guarantee an execution but not execution price. Keeping orders working over the weekend or during holidays can lead to executions at less favorable prices as a difference between the open price and the close price of the previous trading day (gap) could occur. Having working orders 24h/24h increases the risk for an execution in less favorable market conditions (during periods with altered spreads). Examples:

	EUR/USD	.DE30	MSFT
Close on Friday	1.3000	6975	30.10
Working order	Buy stop @ 1.3025	Buy limit @ 6955	Buy stop @ 30.25
Bid/Ask at market open	1.3038/40	6933/35	31.10/.12
Execution Price	1.3040	6935	31.12

IMPORTANT

(1) An order that is not rejected when you place it, is by definition accepted; even if you do not receive the confirmation immediately.
(2) A pending order (a market order, a limit order whose limit has been reached, a stop order which has been triggered)
will always be filled as described in this document even if you don't see the position immediately.
Even when an order has been filled immediately, the confirmation may have been delayed. Not receiving the fill
confirmation, or not seeing the position doesn't mean that the order hasn't been filled.
Even if you do not receive the
confirmation immediately you can place an order to close or to protect the position. The confirmation and the update
on your account will always follow.
In case of a doubt, always contact the helpdesk to confirm the status.

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Financing, dividends, short selling

FINANCIAL ADJUSTMENT

When keeping a CFD position overnight might require a financial adjustment (credit or debit) to be made. The adjustment applies to the CFD positions on cash based indices, shares and cash metals. There is no financial adjustment on future based CFD's.
If the value of the position is
X (= number of CFD's x closing price),
the adjustment is:

Long position	Short position
-X x (LIBOR + 3.5%) / 360	+ X x (LIBOR – 3.5%) / 360

Examples:

18/01/2018
EUR overnight Libor = - 0.4%
USD overnight Libor = +1.57%

Position	Price	Adjustment
Long 500 AIRF	€11.36	- €0.49
Short 500 AIRF	€11.36	- €0.62
Long 300 MSFT	$83.50	- $3.53
Short 300 MSFT	$83.50	- $1.34

FINANCING ON FOREX

Finance adjustments are made to trades held overnight (i.e. after 17:00 ET time). The financing is based on the institutional swap rate +/- 35 basis points.

SHORT SELLING

Restrictions on short selling may be applied (insufficient liquidity, underlying market restrictions, etc.). The list of shares that are currently available for short selling can be found by clicking on the country on the following webpage:

https://www.whselfinvest.com/fr/CFD_Market_Information_Sheets.php?sheet=1

NO DIVIDENDS ON U.S. EQUITIES

Accounts who hold long CFD positions on U.S. equities will not receive any payments related to dividends. Accounts who hold short CFD position on dividend paying U.S. equities will be deducted the full value of the dividends.

DIVIDENDS ON OTHER INSTRUMENTS

If an instrument gets a dividend, clients who hold CFD positions on that instrument will receive a portion of that dividend. If an account is short on the instrument, the full value of the dividend will be deducted from the account:

LONG	SHORT
+ 85%* x gross dividends	- 100% x gross dividends

CFD on cash indices (.F40, .N25 etc.) may be impacted by dividend payments. Accounts who hold long positions on dividend paying indices will receive the dividends. Accounts who hold short positions on dividend paying indices will pay the dividends. The price of cash indices will be adjusted to reflect the dividends paid. Also, the open P/L of long positions will be impacted negatively whereas the open P/L of short positions will be impacted positively.

***The German dividend tax is 26.375%. Customers holding LONG positions will receive 73.625% x gross dividend. Those holding short positions will pay 100%.**

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Corporate action, slippage

RIGHT ISSUES – SPLITS – REVERSE SPLITS

In the event of raising capital ('right issues'), the share price could drop mechanically following the dilution of shares. Speculating on this price drop to trade profitably by shorting the CFD will not be a viable strategy since all traders having an uncovered short position at this time of capital raising will be constrained to repurchase the new shares emitted in addition to its initial position. These additional shares, quoted at a more interesting price, will have to be repurchased at market price. A split is a division of the face value of a share to show a lower price per share. A reverse split is the opposite. A CFD position based on an underlying share which is subject to a split or a reverse split will be updated on the platform in the shortest possible time. It is however up to the customers to inquire whether or not splits or reverse splits may influence their portfolio, and to adjust volumes and/or the price of the active orders on those CFD's.

SLIPPAGE

A stop order which is placed at the exchange may be executed at a worse price than placed, which means that there will be a difference between the execution price and the stop price. This is called slippage. A recurring case of slippage is, for example, when the US unemployment figures are published on every first Friday of the month. In anticipation of this news, traders will remove their orders from the order books, creating illiquidity just prior to the news. Both the absense of liquidity and the surprise effect contribute in creating large price movements. It is important to note that the price moves intermittently, i.e. there is not an execution on each price level. That is the reason why certain stop orders can be executed with a smaller or larger deviations.

This movie shows an example of the orderbooks of different futures at the time of a news announcement: http://www.whselfinvest.com/films/slippage_news.swf
(please note that the price movement can be even more volatile than shown in this example

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First-in, First-out (FiFo), hedging

ORDER EXECUTION BASED ON FIRST-IN, FIRST-OUT

All CFD's are balanced using the First-in, First-out or FIFO principle. This rule implies that the first lot that enters your account will be the first one to be removed from your account. The following example illustrates the general rule of FiFo.

HEDGING

Exception on the general rule of FiFo, clients can choose to place a trade using the Hedging Function.
This function allows them to create opposing positions on the same instrument on the same account. An account can therefore be LONG and SHORT at the same time. This example illustrates Hedging:

FiFo

Seq.	Trade	Positon	P/L (realized)
Trade1	BUY 2 @ 6000	2	
Trade2	SELL 1 @ 6050	1	50 (from Trade1)
Trade3	BUY 2 @ 6070	3	
Trade4	SELL 2 @ 6050	1	+30 (+50 from Trade1,-20 from Trade3)
Trade5	Close @ 6070	0	0 (Break Even onTrade3)
			End result: **+80**

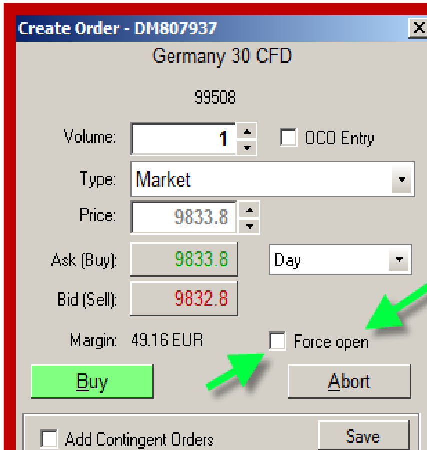
Hedging

Seq.	Trade	Position	P/L (realized)
Trade1	BUY 2 @ 6000	2	
Trade2	SELL 1 @ 6050	2 and -1	0
Trade3	BUY 2 @ 6070	4 and -1	0
Trade4	CLOSE Trade 1 @ 6050	2 and -1	100 (50 pts X 2 lots)
Trade5	CLOSE Trade 2 @ 6070	2	20 (20 pts X 1 lot)
Trade6	CLOSE Trade 3 @ 6070	0	0 (Break Even on Trade3)
			End results: **+80**

IMPORTANT

When Hedging is applied on an account, the margin is determined on the side of the largest position.
If the account is for example LONG of 5 and at the same time SHORT of 10, then the margin is determined and calculated on the SHORT 10 position.

When Hedging is applied on an account every single position on that account will have to be closed individually. This can create an extra cost for the client.
The examples above shows that the FiFo trade needed only 5 trades while the Hedging trade needed an extra sixth trade to completelly neutralise the position on the account.



To apply hedging principle on your order, the client ticks the box 'Force open' in the order ticket.
By default this box will not be ticket, hence default order management principle will be FiFo.

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Margin requirements, account status

MARGIN REQUIREMENTS	KNOWING THE ACCOUNT VALUE

MARGIN REQUIREMENTS

Margin is the amount of capital required to cover the risk of loss on a position.

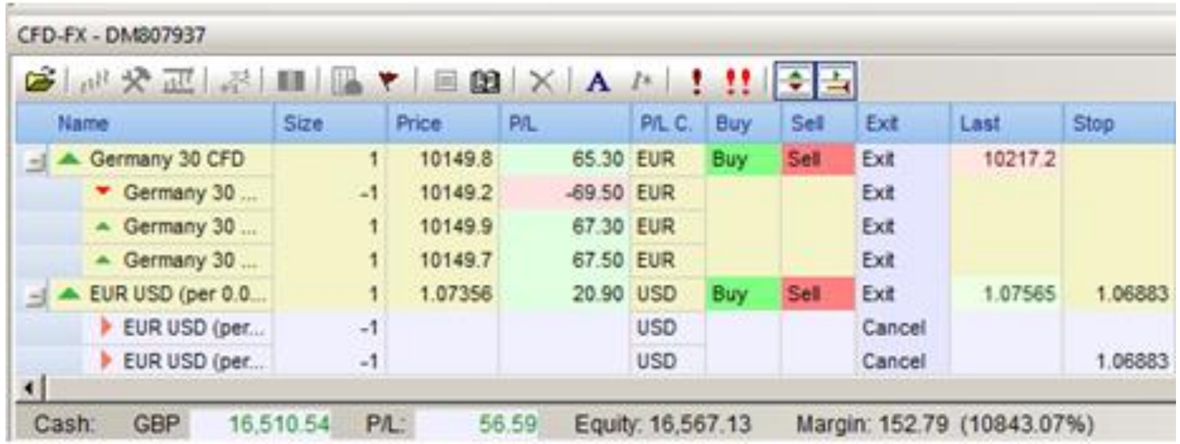
When opening a position, the system will calculate the amount of margin that is required to do so. The client will need to have at least the margin on the account as buying power in order for the position to be opened. Working orders that are triggered but for which the available buying power is not available might be rejected.
The percentage of the total nominal value of the position that is taken as margin will vary between the different instruments and asset classes. This table gives an indication of the applied percentages.
In case of insufficient margin, the order is rejected.

Instrument type	% Margin
FX Majors	3.33
FX Minors	5
CFD on stocks	20
CFD Euro Bond, US Treasury, ...	20
CFD Index Majors (DAX, CAC, ...)	5
CFD Index Minors (AEX, HK40, ...)	10
CFD on gold and mini gold	5
CFD on oil, silver, ...	10
CFD on corn, wheat, soy, ...	10

Margins can be modified without a warning preceding this and will apply to all existing or new positions

KNOWING THE ACCOUNT VALUE

The trading platform gives values in real-time and in your base currency of the following important variables:


CFD-FX - DM807937

Name	Size	Price	P/L	P/L C.	Buy	Sell	Exit	Last	Stop
Germany 30 CFD	1	10149.8	65.30	EUR	Buy	Sell	Exit	10217.2	
Germany 30 ...	-1	10149.2	-69.50	EUR			Exit		
Germany 30 ...	1	10149.9	67.30	EUR			Exit		
Germany 30 ...	1	10149.7	67.50	EUR			Exit		
EUR USD (per 0.0...	1	1.07356	20.90	USD	Buy	Sell	Exit	1.07565	1.06883
EUR USD (per...	-1			USD			Cancel		
EUR USD (per...	-1			USD			Cancel		1.06883

Cash: GBP 16,510.54 P/L: 56.59 Equity: 16,567.13 Margin: 152.79 (10843.07%)

Cash balance of the account
P/L: Floating Profit and Loss on the open positions
Equity: Total account value (= Cash+ Floating P/L)
Margin: the sum of all individual position margins
Margin Percentage See paragraph – Risk awareness

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Leverage*, risk awareness, autoliquidation

LEVERAGE

Using leverage means that the nominal value of the positions you hold on your account is greater than the value of your account.
Examples:
I have EUR 2,500 and I buy 3 CFD France40 at 5,000 points. The leverage is 6 (= 3 x 5,000 / 2,500).
I have EUR 5,000 and I buy 300 shares at EUR 50 and 2 CFD France40 at 5000 points. The leverage is 5 (= [(300 x 50) + (2 X 5000)] / 5.000).
I have EUR 50.000 and I buy 8 CFD France40 at 5.000 points. The leverage is 0.8 (=8 x 5.000 / 50.000).
A number less than 1 means that I do not use any leverage.
NOTE : The leverage is a result from your own choice*. Always know the leverage which you will be using before placing an order.

RISK AWARENESS

WHS uses the “Margin Percentage” MP in order to measure the risk level on an account.
The margin percentage is the ratio between the total equity and the margin required.
The formula is simple:

$$\text{Margin Percentage (MP)} = \frac{\text{Equity}}{\text{Margin}} \text{ X } 100$$

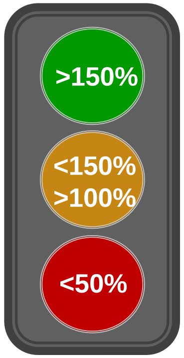
ADVICE :
This percentage figure is available in real-time on your platform. Monitor it regularly !

RISK RULES AND AUTOLIQUIDATION

To open a new position clients need to have at least the required margin available as equity. If the required margin is not available, the system will reject their orders. The margin check is before the execution of the order, not when the order is placed. Equity = Cash + open P/L.

To keep positions open WHS suggests to always maintain a comfortable amount of buying power on the account: Buying power = Equity – Margin. The chart on the right shows the key levels as a guideline for risk awareness* .

If MP falls to 50%, the system will activate an Auto-liquidation process. This will cause all of the open positions to be liquidated (closed) at the best available price. This procedure is irreversible and completely automated.



* Leverage is limited to 1 and the Auto-liquidation process is activated when MP falls below 100% for Belgian residents with an account in our Belgium branch.

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Complaint procedure

SUPPORT REQUESTS	COMPLAINTS

In the unlikely event of having any reason to feel dissatisfied with any aspect of our service, in the first instance you should contact our HelpDesk on +352 42 80 42 80 or email info@whselfinvest.com, as the vast majority of questions can be dealt with at this level.

If our HelpDesk is unable to resolve the matter you may refer it as a complaint to our Complaint service. Please set out the complaint clearly in writing either by e-mail or postmail.

The Complaint service will carry out an impartial review of the complaint with a view to understanding what did or did not happen and to assess whether we have acted fairly and have met our contractual and other obligations. A full written response will be provided within four weeks of receiving the complaint.

Please write to:

complaint@whselfinvest.com

or

WH SelfInvest
Complaint Service
5-5A rue Thomas Edison (2de floor)
1445 Strassen
Luxembourg

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