

Before you begin trading, here are a few things you should be familiar with:

1) Trading Information – <https://www.avatrade.ca/trading-info/financial-instruments-index> - click on the link and see all instrument details and availability as well as the margin required to open a trade in percentage and it will reflect the current leverage on each instrument. If the margin required to open a trade is higher, it will require more free margin to open a trade.

2) Margin Calls - <https://origin.avatrades.net/legal-docs/canada/margin-call-warning-system/en.pdf> - will result in the liquidation of some or all of your open positions and will occur under any of the following 2 conditions:

- When your margin level drops to or below 10%.
- When your margin level drops below 100% and remains below 100% for 5 days in a row.

- It is your responsibility to ensure that you maintain sufficient funds in your account in order to maintain your margin level requirement and open positions. Please note that these requirements and rates are periodically updated by IIROC and are subject to change at any time without notice and in line with market conditions.

3) Margin Warnings - <https://origin.avatrades.net/legal-docs/canada/margin-call-warning-system/en.pdf> - will be sent out via email (*as a courtesy*) when your margin level drops below 100%. You will be sent an email (*as a courtesy*) notifying you that your account is below 100% margin, each day that you remain below the 100% margin level, for 5 days. At the end of the 5th day, some or all of your open positions will be liquidated. (***You should not rely on the e-mail notifications as they could be subject to spam filters or a changed e-mail address, it is your responsibility to monitor and be aware of your positions and margin levels***) In order to bring your margin level back above 100% and avoid a Margin Call, you may do the following:

- Close some open positions to alleviate funds for margin.
- Deposit additional funds to your account – *keep in mind that there are processing times for deposits that vary based on deposit methods, time of day and various other factors that may delay the credit of funds to your account. It is recommended that you do not wait until the last of the 5 days to make a deposit.*
- Monitor your positions closely to see if the market turns in favor of your trades – *however, there are NO guarantees that this will happen or that your open losses will not increase instead.*

4) Overnight Rollover/Swap Fees FX - <https://www.avatrade.ca/trading-info/financial-instruments-index> - (*lower half of page*)

FX Buy/Sell Overnight Interest Calculation

The FX Fixed Trading Conditions display the Over-Night (O/N) Interest Rates Charged/Paid on a daily basis for holding a position open past our End of Day time. These rates are displayed in the “Overnight Interest – Buy” and “Overnight Interest – Sell” columns.

End of Day is 22:00 GMT except during Daylight Savings when it changes to 21:00 GMT.

You can use the following formula to calculate your Daily Overnight Interest amount:

Trade Amount x Daily Overnight Interest = Daily Overnight Interest Charged/Paid*

Example

For a 1,000 EUR/USD Trade, with a Daily Overnight Interest Buy (or Sell) rate of -0.0053% and subject to a charge for 1 day, the calculation is as follows:

$$1,000 \times -0.000053 = -0.053 = -\text{€}0.05^* \text{ rounded}$$

*Overnight Interest Charged/Paid will be calculated in the Primary Currency; Primary Currency is the First Currency quoted in an FX pair (CUR1/CUR2: USD/JPY, EUR/USD, etc.)

Note: FD platforms display overnight interest (swaps) in annualized terms.

5) Overnight Rollover/Swap Fees Equities & Bonds[^]

Individual Equities Buy/Sell Overnight Interest Calculation

The Individual Equities Trading Conditions display the Over-Night Interest Rates Charged/Paid on a daily basis for holding a position open past the End of Day time. These are displayed in the “Overnight Interest – Buy” and “Overnight Interest – Sell” columns.

End of Day is 22:00 GMT except during Daylight Savings when it changes to 21:00 GMT.

You can use the following formula to calculate your Overnight Interest amount:

Trade Size x End of Day Market Price x Daily Overnight Interest = Daily Overnight Interest Charged/Paid*

Example

For a trade of 1 APPLE share, with an End of Day Market Price of \$200 and a Daily Overnight Interest Buy (or Sell) rate of -0.0083%, and subject to a charge for 1 day, the calculation is as follows:

$1 \times 200 \times -0.000083 = -0.016 = -\0.02^* rounded.

* Overnight Interest Charged/Paid is calculated in the Currency the Instrument is Denominated in.

Note: FD platforms display overnight interest (swaps) in annualized terms. [^]Info for BONDS can be found on our website as with all of these details - <https://www.avatrade.ca/trading-info/financial-instruments-index/bonds>.

6) Commodity Contract Rollovers - <https://origin.avatrades.net/legal-docs/canada/commodity-rollover-information2.pdf> –

when an existing commodity contract month expires and is replaced by the next commodity contract month.

To Calculate the Rollover Friedberg Direct powered AvaTrade takes the BID/ASK Rates for the Old Contract (Current Traded Contract) and the New Contract (Next Tradable Contract) **at exactly the same time before the contract closes for trading**. We then calculate the **Difference** in Price between Contracts, and the resulting amount is either Credited or Debited to the client’s account via a Rollover Adjustment.

Note: There are NO other costs incurred by Clients involved in the rolling over of Commodity Contracts. Clients with Open Positions who do not wish to have their positions Rolled Over into the Next Contract should close their positions before the Scheduled Rollover.

Formula used for calculating a Rollover Adjustment:

Long Position = Amount x (Closing BID Price – Opening ASK Price)

Short Position = Amount x (Opening BID Price – Closing ASK Price)

General Rule of Thumb:

New Price < Old Price = Credit for Long Positions / Debit for Short Positions

New Price > Old Price = Debit for Long Positions / Credit for Short Positions

Example 1

For a 10 barrel Crude Oil Trade, with an Old Contract price of \$70.00/\$70.03 and a New Contract price of \$70.50/70.53 the calculation is as follows:

Long Position: $10 \times (70.00 - 70.53) = 10 \times -\$0.53 = -\$5.30$

Short Position: $10 \times (70.50 - 70.03) = 10 \times +\$0.47 = +\$4.70$

Example 2

For a 1 bushel Soybean Trade, with an Old Contract Price of \$1400/1401.75 and a New Contract price of \$1375/1376.75, the calculation is as follows:

Long Position: $1 \times (1400 - 1376.75) = 1 \times +\$23.25 = +\$23.25$

Short Position: $1 \times (1375 - 1401.75) = 1 \times -\$26.75 = -\$26.75$

All Rollover Adjustments are calculated in the Currency the Instrument is denominated in. If your account is denominated in a different currency the system will automatically convert this to the Currency of your Account using the Market Rate at that time.

Friedberg Direct powered by AvaTrade Technology cannot provide Rollover Adjustment Information before the Adjustment occurs, if clients do not wish to incur a Rollover Adjustment, please close Open Positions in Maturing Instruments before the Scheduled Rollover.

7) Commodity Contract Rollover Calendar - <https://www.avatrade.ca/trading-info/cfd-rollover-dates> - will show you the next rollover dates for Commodity Contracts.

8) Corporate Actions – such as dividends, stock splits / reverse splits, etc. - <https://www.avatrade.ca/trading-info/financial-instruments-index/stocks> - (lower half of page under Trading Conditions & Charges, in the “Individual Equities” section)

Individual Equities Corporate Actions & Calculation

Individual Equities may at some stage partake in a Corporate Action; these can include Dividends, Rights Issues, Stock/Reverse Splits, Mergers, Acquisitions, Takeovers etc.

Dividends: For any individual equity on the trading platforms that declares a dividend, Friedberg Direct will make an Adjustment to every account that holds said equity, at the end of the cum-dividend day. This will be one day before the ex-dividend day.

The adjustment made to accounts will be:

1. Long Positions will be Credited with 100% of the Gross dividend.
(Amount of Shares x Gross Dividend) x **1.00**
2. Short Positions will be Debited with 100% of the Gross dividend.
(Amount of Shares x Gross Dividend) x -1

Note: There are no other costs to clients in relation to Dividends.

Example

For a trade of 1 APPLE share, with a GROSS Div. of \$1.00, the calculation is as follows:

Long Position: $(1 \times 1.00) \times \mathbf{1.00} = 1.00 \times \mathbf{1.00} = +\1.00

Short Position: $(1 \times 1.00) \times -1 = 1.00 \times -1 = -\1.00

Be advised that all Corporate Actions such as Rights Issue, Stock/Reverse Splits, Mergers, Acquisitions, Takeovers etc, actions can happen suddenly and without prior knowledge.

Note: There are no costs to clients in relation to these other Corporate Actions.

9) Islamic - Swap-Free - Accounts - <https://www.avatrade.ca/trading-info/islamic-account> - These are accounts available to Islamic/Muslim clients that do not have nightly swap fees on open positions, however, if positions are held for 10 days or more, swap fees will be reapplied to the account.

10) Holiday Trading Hours - <https://www.avatrade.ca/trading-info/holiday-trading-hours> - provides a link that will show any dates/times during the current/coming month when there is no trading.

11) **Loss Limit Reviews** – please note that loss limit amounts are set and calculated in CAD.

- When you opened your account with us, you were asked to state the amount in Canadian Dollars that you felt you can afford to risk in trading currencies and CFDs without negatively affecting your lifestyle. You were notified that this amount will be used to set your initial Loss Limit and that if this initial Loss Limit is exceeded, you will need to respond to a Loss Limit Review questionnaire for you to continue trading, however, we do not close your trades or otherwise limit your open-trade losses based on this amount, it is simply to trigger a review of the accrued losses on your account and determine whether continued trading remains appropriate for you.
- When you breach the approved loss limit on your account, you will be notified in the webtrader and client portal via a pop-up notice or via e-mail reminder. You will have to respond to a simple 3-part questionnaire in order to increase your loss limit amount and continue trading, if you so desire. Please note that your account may be transitioned to “close-only” trade restrictions depending on how long it takes you to respond to the Loss Limit Review questionnaire. You will typically have 7 days to respond.
- You will have an option to ask for an increase to your loss limit by completing the Loss Limit Review questionnaire – when you go to avatrade.ca -- > login (you can also send an email to CS@AVATRADE.CA / or contact us on [chat](#) / contact your dedicated account servicing agent).
- If you didn’t answer the loss limit questionnaire within the allotted time or in case your requested loss limit increase was not approved the account may be transitioned to “close-only” trade restrictions – where you will only be able to close existing open positions, deposit and withdraw funds but you will not be able to open or put on any new positions.
- If the current amount of losses (both realized and floating) is higher than the approved loss limit amount – it will be considered as a loss limit breach.
- Increase requests in account loss limit amounts will be reviewed and assessed by Friedberg compliance. They may request additional information or require the completion of a KYC (Know Your Client) Update form from you.
- Friedberg compliance reserves the right to not allow a further increase in your account loss limit and, if required, restrict your account to “close-only” trade restrictions if, based on their assessment and in their opinion, they believe that to allow a further increase to your account loss limit and/or to allow you to continue trading would not be prudent at that time.

12) Third-Party Materials - Friedberg Direct powered by AvaTrade technology does not provide any investment advice or recommendations. Any market recommendations, signals, algorithms, information and/or opinions procured from or provided by and/or distributed by any third party do not constitute an offer to buy or sell, or the solicitation of an offer to buy or sell, or the recommendation to buy or sell, any transaction on behalf of Friedberg Direct. Reliance on any such recommendations, signals, algorithms, information and/or opinions procured from or provided by and/or distributed by any third party is solely at your own discretion and Friedberg Direct does not take any responsibility for the outcome of any actions or trades based on such reliance.

This includes, but is not limited to, the MT4 and MT5 trading platforms and/or any other platforms utilized to trade in your Friedberg Direct trading account(s). Please note that Friedberg Direct does not take any responsibility for the availability, compatibility, functionality and reliability of any third-party services, applications, platforms, systems and/or technologies.

Please be advised that you are solely responsible for assessing the merits and risks of any third-party services/ technology as well as any trades that you enter, and each trade entered into by you represents an independent decision. You should always seek independent advice from a professional financial advisor.



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