

## Margin Platform Addendum

Margin breach and liquidation is an important risk management feature on the ProTrader Platform. This tool is designed to close clients out of positions automatically once they have surpassed the set margin level. This process is critical to aide in avoiding a situation where clients are in a negative cash position due to the market moving against them. This document is intended to give clients an understanding of how ProTrader manages margin requirements and liquidations.

### Account Panel

▼ General	
Balance	9 007.76 ZAR
Projected balance	16 922.37 ZAR
Balance + all risks	16 922.37 ZAR
Credit value	0.00 ZAR
Available funds	5 363.37 ZAR
Blocked balance	0.00 ZAR
Cash balance	9 007.76 ZAR
Withdrawal available	0.00 ZAR
Interest rate, %	0 %
Estimate value	9 007.76 ZAR
▼ Margin	
Margin used	11 558.89 ZAR
Margin used, %	68.31 %
Risk level, %	37.94 %
Margin available	10 502.75 ZAR
Margin warning level	80 %
Warning margin	13 537.90 ZAR
Total maint. req.	6 419.63 ZAR

**Balance** – actual cash in your account. This balance changes when you realise profits or losses, are credited interest, are debited commissions etc.

**Projected balance (Balance + All Risks)** – displays your real-time account value. Calculated by adding your Unrealised profit/loss to your Account balance

**Available funds** – amount of funds which can be used for placing a new order. If Available funds = 0, then it is allowed to send only close orders, and orders that decrease volume of the position.

$$\text{Available funds} = \text{Balance} + \text{All risks} - \text{Margin used}$$

**Margin available** – full margin which is available to maintain the portfolio on the current moment. If Margin available = 0, auto-liquidation starts to trigger.

$$\text{Margin available} = (\text{Balance} + \text{All risks}) - \text{Maintenance margin}$$

**Margin used, %** - shows how much margin is used in relation to Balance + All risks. Margin used is the total amount of cash required to hold your open positions at any given time. Each instrument has a unique margin requirement which is based on its liquidity and volatility.

$$\text{Margin used, \%} = (\text{Margin used} / (\text{Balance} + \text{All risks})) * 100\%$$

**Margin warning level, %** – Risk management constant. Shows Risk level value, when trader receives warning message. When Risk level = 100%, Stop out triggers. This is the most important field related to managing your margin and risk as account liquidation is all determined by this percentage. Your margin percentage is displayed in this field in real time and is calculated in the following manner:

**Margin Used for Positions / Projected Balance**

In this case this calculation is  $11,558.89 / 16,922.37 = 68.31\%$ . This means that you have used 68.31% of your available margin.

**Risk level** - shows current level of risks.

$$\text{Risk level} = (\text{Maintenance margin} / \text{Balance} + \text{All risks}) * 100\%$$

### Margin Breach Levels

There are three key levels at which margin related actions take place.

**Margin Warning risk level (Margin Call)** – once your current margin % reaches 80%, a margin warning pop up is displayed on your screen to warn you that you are nearing your margin breach level. When you receive one of these warnings, you can decide to either deposit more cash, close out a portion of your open positions or run the risk (accepting that the system will automatically close you out once the Stop Out level is reached).

**Risk level (Stop out)** - At 100% risk level you are in margin breach and your open positions will be partially closed out back down to a risk level of 80% based on a FIFO basis (First In, First Out). This close out is done at the best available market price and will trade any available price on market.

### Standard Margin Levels

There are 2 important **Current Margin** levels to be aware of:

- |                                   |                                                                                                                                                                                                                                                                                          |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Margin Warning:</b> (80%)      | This is the level at which you will receive a pop up notification that your account is getting close to margin breach. This is a warning to remind you that action may need to be taken (either deposit more cash or decrease your exposure).                                            |
| <b>Maintenance level:</b> (100%): | This is the level at which your account will begin to liquidate. Once your current margin level has reached 100%, the system will automatically close out part of a position at a time until you are at a level of 80% margin and have enough margin available to support your exposure. |