FUTURES TRADING RULES

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

WHS reserves the right to modify these trading rules without prior notice. The latest version of the trading rules is always available on the WHS website.

Trading with leverage and/or short selling can cause losses greater than your initial investment.

You are fully responsible for any negative balance on the account and needs to cover this unsecured debit within 5 working days.

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

Content

Risk warning: Futures are complex instruments subject to unpredictable changes in price. They are financial instruments which offer the investor the possibility to use leverage. The use of leverage implies the risk of losing more than the total value of the account.

Each investor should verify, if possible with the help of an external advisor, if these financial instruments are suitable for his personal situation. Before investing, it is recommended you familiarize yourself with the contract parameters and risks of the instruments you wish to invest in. Profits realized on a demo account are no guarantee for future profits. You are not obliged to use leverage.

Information

Futures are the preferred instrument of active investors and traders.

In total over 2.000 electronic futures are available.

Only the most popular and most traded futures are activated on the trading platform. Traders who which to trade other futures can contact the support desk.

Short selling is allowed on all futures.

Positions can be opened on margin.

The trader decides if he uses leverage or not. If he uses leverage he can decide how much leverage he uses.

Trading hours

Futures contracts are tradable during specific trading hours. Visit our website for more information: https://www.whselfinvest.com/FuturesContractInfo

It is always possible that an exchange decides to change the contract specifications including the trading hours. Although the table on the website is updated regularly, information may not be up-to-date. You should follow the link to the exchange provided in the table and check the contract specifications.

The trading hours for US futures are normally displayed in US Central Time, the time in Chicago, where the CME Group is headquartered.

The opening and closing times of the futures markets may be different on public holidays.

Halted session

In the case of US holidays, the US markets will usually close (except the GLOBEX market). As a result all 'DAY' orders entered and still working at market close, will be rolled over to the session of the next trading day. Traders who do not wish to keep their 'DAY' orders, need to cancel them before the GLOBEX session starts. Clients are solely responsible for any consequences of 'DAY' orders they did not cancel.

Please be aware that trades and resulting positions executed on CME-GLOBEX on a US public holiday will only appear in the account statement the day after the next normal business day.

Expiration

Futures contracts have an expiration date. The expiration date and time is the moment when a particular delivery month of a futures contract stops trading. At the same time, the final settlement price for the contract is fixed by the exchange.

For example:

The DAX future expires every three months in March, June, September and December. The expiration date is the third Friday of each maturity month at 13h00 CET if this is an exchange day; otherwise the exchange day immediately preceding that day.

The E-mini S&P 500 future expires every three months in March, June, September and December. The expiration date is the third Friday of each maturity month at 8h30 Central Time (CT) if this is an exchange day; otherwise the exchange day immediately preceding that day.

Some futures contracts are settled in cash at expiry (CAC, DAX, E-mini S&P, E-mini Nasdaq…). This is called the financial settlement. Some futures are settled with physical delivery (crude oil, Bund, TNote…).

DO NOT KEEP positions on futures contracts with physical delivery on First Notice Day or Last Trading Day. In order to avoid any inconvenience traders need to fully understand First Notice Day and Last Trading Day.

First notice day: The first day that investors who have traded a futures contract may be informed that they have been assigned a delivery of a futures contract.

Last trading day: The final day that a futures contract may trade or be closed out before delivery of the underlying asset. All futures contracts which have not been traded out by the end of the last trading day must be settled by making delivery of the physical-commodity or are cash settled.

In addition to the e-mails WHS sends on a best effort basis when futures with physical delivery expire, WHS will also close positions, on a best effort basis and at the market price, on the day before the first notice period in an attempt to avoid any possibility of physical delivery. A fee of € 50 per contract will be payable. Clients simply can avoid this fee by closing the position themselves at the latest on the morning of the day BEFORE the first notice day.

The expiration dates of every contract can be found on the website of the relevant futures exchange. A link can also be found in the futures tables on the WHS website.

www.eurexchange.com | www.euronext.com | www.cmegroup.com | www.theice.com

In the case of some futures the time between first notice day and the last trading day can be substantial. In the case of the CMX, Dec18 Gold future, for example, the first notice day is 30th November and the last trading day is four weeks later on 28th December 2018. Positions need to be closed BEFORE the 30th November. Trading volume will at that time already be very low as trading will have shifted to the next contract.

Wednesday 28th November	Thursday 29th November	Friday 30th November
Traders need to trade out of their CMX Gold DEC18 positions	CMX Gold DEC18 positions no more allowed	First Notice Day of CMX Gold DEC18

Tick value and position size

A tick is the smallest value with which the market price of a future can move. The 'tick' size is defined by the futures exchange and can differ from contract to contract.

The DAX future (FDAX), for example has a tick value of 0,5. This means that the price moves in 0,5 steps up or down. The "tick" column in the futures table on the WHS website shows this minimum variation between two consecutive prices.

The exchange also defines the monetary value of one tick. The 'Value' column shows the monetary of a tick.

	Symbol		Trading Hours		Fees	Margin (in €)		Minimum change		Details	
	Exchange	CQG	Local	CET	Exchange	Intraday	Overnight	Tick	Value	Expires	
DAX	FDAX	DD	1.15 - 22.00	-	0,80 €	7200	21500	0.5	12,5 €		

The DAX future (FDAX) has a value of € 12,5 per tick. When the price of a future contract goes up by one tick, the trader who has a long position, makes a profit of € 12,5 per future.

A 'point' consists of one or more ticks. In the case of the FDAX a tick is 0,5. One point therefore consists of two ticks.

Another example:

Contract: E-mini crude oil (NQM)
One tick: $ 0,025: One point is therefore 40 ticks (40 x 0,025 = 1)
Tick value: $ 12,50: One point is therefore worth $ 500 (40 x $ 12,50).

When the DAX future (FDAX) has, for example, a value of 11.000 points the position size is € 275.000 (=11.000 x € 25).

Spreads

Like with nearly all markets, futures markets quote a bid and an ask price. The bid price is the price buyers are willing to pay. The ask price is the price sellers are willing to sell. The distance between the bid price and the ask price is called the spread. The spread cannot be smaller than one tick. The spread can be more than one tick on futures with limited trading volume or when liquidity is momentarily low.

Margin requirements

The margin requirement is the minimum amount a trader is required to maintain in his trading account in order to hold a futures position.

The intraday margin is the minimum amount a trader is required to have on his account to open and maintain a position during the trading session (8.00-22.00 CET).

The overnight margin is the minimum amount a trader is required to have on his account to maintain a position during the night until the next trading session.

Please consult the margin requirements table on our website:
https://www.whselfinvest.com/FuturesContractInfo

Margins are expressed in EUR. The margin requirements indicated on the WHS website cannot be considered as fixed. Any event can lead to changes in the margin requirements at any time and possibly without prior notice.

Telephone orders

Orders can be placed by telephone between 8.00 – 22.00 CET on +352 42 80 42 80.

To place your order efficiently you need to have the following information ready when calling: your account number + your email address; the futures contract; the order size; the order type (market, limit, stop ...) and price.

Options

Futures exchanges also offer option contracts. Those have futures as well as cash indices as an underlying value. Product specifications are diverse and may vary strongly between the different products. Before trading options, a client should inform him/herself thoroughly - via the official website of the exchange - about the trading conditions of the product in question. Options cannot be taken lightly as they are complex, not suitable for many retail investors.

Unless you have expertise in the matter, we strongly advise not to trade options because the potential for errors is high. Errors may have unforeseen consequences and may result into virtually unlimited losses on the account.

Order types

Market order:
Buy at the best ask price, or sell at the best bid price

Limit order:
Maximum price if you want to buy, or minimum price if you want to sell.

Stop order:
When the price hits the stop, a market order is sent.

Stop Limit order:
If the market price reaches the stop price level, a limit order is released. It is advisable to only use this order type to open a position.

Market If Touched (MIT) order:

Is a conditional order that becomes a market order when the instrument reaches a specific price level. A MIT Buy order becomes a market order when the contract trades or is offered at or below the entered price. A MIT Sell order becomes a market order when the contract trades or is bid above the entered price.

Validity of orders

Day orders:

Unless specified otherwise, day orders are considered cancelled at the end of the current day's trading session.

GTC (Good Till Cancel) orders:

GTC orders remain active until specifically cancelled or filled.

GTD (Good Till Date) orders:

GTD orders remain active until the end of the designated day or until specifically cancelled or filled.

Not all order types are available on all exchanges. In case of a halted session (*see* Halted session) day orders must be cancelled manually.

Settlement and Lowest in - First out (LoFo)

Intraday futures trades are managed using the Lowest in - First out or LoFo principle.

This principle causes the futures contract with the lowest price to be settled first. Less experienced traders often think this principle negatively impacts their account balance. The following example for two round turn trades proves that this is not the case.

Chronology of trades as shown in the platform and in the statement:

OrderId	Symbol	Status	Filled	Action	Type	Avg.Price	Price1	Price2	Time
684601701	FDAX DEC 18	Filled	1	Buy	Market	11354.5	0.0	0.0	30.10.18 Tue 09:23
684631440	FDAX DEC 18	Filled	1	Sell	Market	11261.0	0.0	0.0	30.10.18 Tue 10:21
684616966	FDAX DEC 18	Filled	1	Buy	Market	11264.0	0.0	0.0	30.10.18 Tue 10:31
684701048	FDAX DEC 18	Filled	1	Sell	Market	11316.5	0.0	0.0	30.10.18 Tue 11:22

Settlement of trades based on Lowest in - First out or LoFo:

* * * * * * * * * P U R C H A S E & S A L E * * * * * * * * *

TRADE	SETTL	BUY	SELL	CONTRACT DESCRIPTION	EX	TRADE PRICE	CC	DEBIT/CREDIT
30OCT18			1	DEC 18 EURX DAX INDEX	27	11261.00	EU	
30OCT18		1		DEC 18 EURX DAX INDEX	27	11264.00	EU	
30OCT18			1	DEC 18 EURX DAX INDEX	27	11316.50	EU	
30OCT18		1		DEC 18 EURX DAX INDEX	27	11354.50	EU	
		2*	2*	GROSS PROFIT OR LOSS			EU	1,025.00DR

Comparison:

Trading chronology			Settlement (LoFo) as on the statement		
	BUY	SELL		BUY	SELL
1	11354.5	11261.0	1	11264.0	11261.0
2	11264.0	11316.5	2	11354.5	11316.0
Sum:	22618.5	22577.5		22618.5	22577.5
		22577.5			22577.5
	/	22618.5		/	22618.5
		- 41 points			- 41 points
	x	25 € / points		x	25 € / points
		- 1 025EUR			- 1 025EUR

Conclusion: the chronological order of trades is not important and will have no impact on the overall result.

If you keep a position overnight the highest traded price of the day will be taken for the settlement and shown in the statement at the next day (under Open Positions).

Never place an order on a position that you are not sure of. In case of discrepancies or doubt, contact the WHS support desk and agree a plan of action. If you intervene before or without agreeing upon a plan of action you are solely and totally responsible for all direct and indirect losses and damages.

Slippage

When the activation level of a stop order is reached, a market order is launched. Although all orders are executed at extremely high speeds, it is possible in fast moving markets that the execution price differs from the activation level. This is called slippage. Slippage can also occur on market orders.

Slippage may occur in fast moving markets. For example, when important economic data is published or when important unexpected events occur. Market participants will remove their working orders from the market leading to nearly empty order books. Market participants who keep their working orders, will often put them at more conservative price levels, leading the widening of the market spread. In fast moving markets the market price the price moves intermittently, i.e. there is not an execution on every price level. We advise you to carefully read once more the risk notice which is part of your account application.

Leverage and risk awareness

Futures can be traded on margin. The futures exchanges require traders to only have part of the value of the contract on their account. Therefore the trader can take a position which is bigger than the amount of money on his account. This is called leverage.

The trader is not obliged to use leverage. If he takes a position which is equal in value to the amount of money on his account he uses no leverage. The trader who uses leverage, decides how much leverage he uses.

Leverage accelerates profits but also losses. Be careful if you use leverage.

Leverage can be calculated as follows:

Account value € 20.000.
Buy 2 Eurostoxx50 futures at 3.000 points. A point on this future has a value of € 10.
The value of his position is € 60.000 (= 2 futures x 3.000 points x € 10).
The leverage is € 60.000 / € 20.000 = 3.

Account value is € 50 000
Buy 1 Eurostoxx50 future at 3.000 points. A point on this future has a value of € 10.
The value of his position is € 30.000 (= 1 future x 3.000 points x € 10).
The leverage is € 30.000 / € 50.000 = 0.6

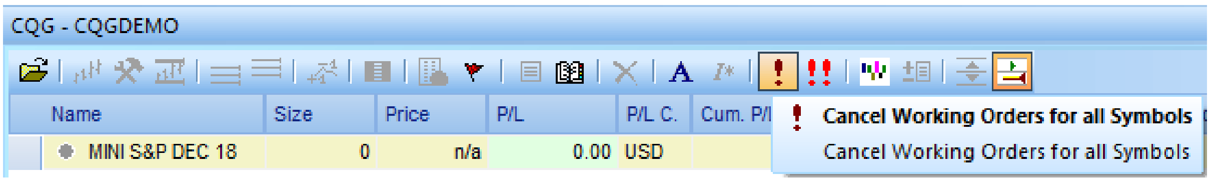
A value equal to or below 1 indicates no leverage is used.

CME message rule

The futures exchanges want to avoid market participants disrupting the exchange infrastructure with excessive messages (e.g. orders, modifications, cancellations…).

The CME can charge clients who send excessive messages via their trading platform a fee of $ 2.000 each time a set benchmark is violated. The policy can be read on the CME Group website: http://www.cmegroup.com/globex/resources/cme-globex-messaging-efficiency-program.html

CQG has limited the number of orders that can be cancelled per click. In case you click the “Cancel Working Orders for all Symbols” button and you can still see working orders just wait a second and click the button again.



Limit up - Limit down

Limit up - Limit down are mechanisms that major exchanges use to stop manipulation or extreme volatility in the markets.

Limit up: This is the maximum amount by which the price of a commodity futures contract may advance in one trading day. The exchange sets this highest limit at which it thinks would be a price that would cause manipulation or volatility. It's the lowest amount a commodity can be traded before an exchange halts trading. The price varies from commodity to commodity. Some markets will allow the contracts to resume trading if the price moves away from the day's limit.

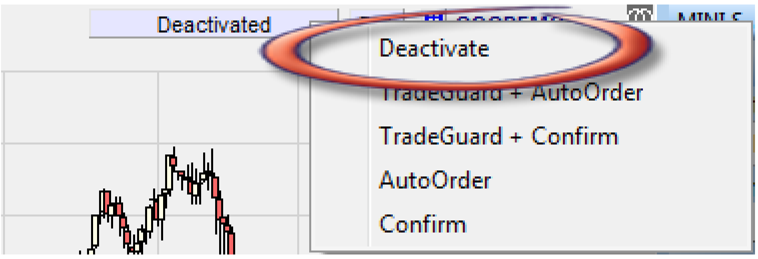
Limit down: The opposite of limit up. This is the maximum amount by which the price of a commodity futures contract may decline in one trading day. So it's the lowest amount a commodity can be traded before an exchange halts trading. Like limit up, the exchange sets the lowest limit at which it thinks would be low price that would cause manipulation or volatility. The lowest price varies from commodity to commodity.

FAQ

Q: Why do I receive an error message when I attempt to close my position using the „Exit "-button on the order pad?

A: If the TradeGuard is activated to protect an open position with a profit target and a stop loss order these orders absorb margin. The Exit order is an additional order, which temporarily requires margin. If the account is not sufficiently funded to temporarily supply margin according to the exchange rules for these three live orders, the Exit order is refused.

To avoid this you deactivate the TradeGuard first, then close the position or use the EXIT button:



Q: What happens to my TradeGuard orders on NanoTrader if I close the platform manually?

A: If you close the platform manually the TradeGuard will be deactivated and the working orders will be cancelled on the server. The platform needs to run in order for TradeGuard orders to be active on the server (exchange).

Q: What happens to my TradeGuard orders on NanoTrader after a connection loss?

A: In this case the TradeGuard orders will remain on the server of the exchange. Please note that in case you have more than one working order these orders will NOT function as OCO orders if the TradeGuard is not activated.

Q: Why is the account value shown on the trading platform slightly different from the account value indicated on the statement?

A: The clearing firm converts the account balance theoretically into USD for back office purposes. Due to intraday fluctuations of the exchange rate you will see slightly different values on the platform than on the statement. This has no impact on your actual balance. The amount displayed on the daily statements is correct and legally binding.

Complaint procedure

Contact our support desk with any question, remark or objection which you may have related to our services. The support desk is available from 8h00 to 22h00 via telephone (+352 42 80 42 80) or e-mail (info@whselfinvest.com).

The vast majority of issues can be dealt with at this level.

In the unlikely event our support desk is unable to resolve the matter to your satisfaction, you can escalate your complaint to a formal complaint. Please set out your complaint clearly in writing either by electronic or regular mail. A manager will carry out an impartial inquiry into your formal complaint with the main objective of establishing the course of events, of assessing whether the events were dealt with conscientiously and in compliance with our contractual and other obligations. A response will be issued in writing within four weeks after receipt of the complaint.

A formal complaint can be submitted by e-mail (complaint@whselfinvest.com) or letter to:

WH SelfInvest S.A.,

5 Rue Thomas Edison (2d floor),

L - 1445 Strassen,

Luxembourg.