

POLICY ON ACCOUNT BALANCES AND LOSS LIMITS

The purpose of this policy is to outline our procedures and guidelines regarding account balances and loss limits, which includes our Daily Maximum Loss and Overall Maximum Loss rules. This policy is designed to protect our customers from significant financial risk while allowing them to engage in trading activities.

Policy Guidelines

1. **Account Balances:** The initial account balance is determined based on the funding amount provided by the customer. This balance serves as the base upon which future profits and losses are calculated.
2. **Draw Down:** Draw Down refers to the allowable amount of loss a customer can experience from the highest balance achieved and Equity in the account. It is dynamically adjusted based on the highest account balance for Max Draw Down while Previous day Equity for Daily Max Equity.
3. **Overall Maximum Loss:** This is the maximum total loss that a customer's account can incur. For an account funded with \$100,000, the Overall Maximum Loss is set at \$10,000. However, if a profit is made (for example, \$5,000), thereby increasing the account balance to \$105,000, the new allowable overall loss will be based on this higher balance. Therefore, in this case, the allowable loss will still be \$10,000, but now it's from the \$105,000 balance.
4. **Daily Maximum Loss:** This refers to the maximum amount that a customer's account can lose in a single trading day. The Daily Maximum Loss for a \$100,000 account is \$5,000. However, this amount is not based on the highest balance but rather the previous day's equity. If the account equity at the end of the day is \$102,000, the maximum loss for the next trading day is still \$5,000. Thus, by the end of the next trading day, the account equity could drop to \$97,000.
5. **Previous Day Equity:** This term refers to the equity at the close of the previous trading day, including all realized and unrealized profits and losses. It serves as the reference point for calculating the Daily Maximum Loss for the following trading day. If, for example, the Previous Daily Equity is \$102,000, the maximum allowable loss for the next trading day is \$5,000, meaning the equity balance could drop to a minimum of \$97,000 by the end of the next trading day.

Application

This policy applies to all customers with funded accounts. It is important that customers understand these guidelines to manage their trading activities responsibly and within the defined loss limits.

Review

This policy will be periodically reviewed and updated to ensure it meets the needs of our customers and aligns with our business strategy.

The goal of this policy is to protect our clients' funds and foster responsible trading practices. Clients should familiarize themselves with these guidelines and monitor their accounts accordingly. For any queries or clarifications on this policy, clients are advised to reach out to our customer support team.