Vestrado
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LEVERAGE & MARGIN POLICY

Value,Trust,Respect

Last updated [February, 2021]

Leverage and Margin Policy

Vestrado LTD

February 2021 Proprietary Restriction:

INTRODUCTION

Vestrado Ltd. is a company incorporated under the Laws of Saint Vincent and the Grenadines with Registration Number 25911 BC 2020 having its head office at Hinds Building, Kingstown St. Vincent & the Grenadines and rendering the investment and ancillary Services (hereinafter the “Company”) to its Clients through the Trading Platform. For more information please visit www.vestrado.com

SCOPE

This Leverage and Margin Policy (the "Policy") sets out how we set leverage and margin levels and procedures when you trade in Foreign Exchange and Contracts of Difference ("CFDs") with us. The purpose of this Policy is to explain the key aspects of leverage trading with margin and what leverage levels we make available. s. It also outlines the impact on your margin and account where negative market movements occur.

COMPANY'S COMMITMENT

Treating Customers fairly is vital to our corporate culture and ethos and attitude. The Company has a duty to act honestly, fairly, professionally and in the best interests of our clients when dealing with them.

In relation to Leverage and Margin, the Company is required :

- To have regard to the underlying performance fundamentals of the financial instrument, including historic volatility, depth of market liquidity and trading volumes, market capitalization of the issuer and country of issuer of the underlying financial instrument, our ability to hedge market risk and the general political and economic environment. We adjust and calibrate the above variables in determining the leverage levels we offer for asset classes or financial instruments;

- Given that we effectively provide the leverage for which you trade, to have regard to our own risk management appetite and risk bearing capacity and to have in place policies, procedures and practices to manage our (primarily) market risk emanating from such leverage and margin trading by our clients;

FACTORS CONSIDERED

The Company takes into consideration the following factors when determining the maximum allowed leverage: the Client's financial strength, financial knowledge, trading experience and trading style.

LEVERAGE RATIOS FOR DIFFERENT ASSET CLASSES AND FINANCIAL INSTRUMENTS

We enable you to trade CFDs via our web and any mobile trading platforms. The Company offers different categories of margin requirements depending on the particular asset in order for the client to manage the exposure of the account in a more efficient way during volatile markets. The main idea is to protect the clients' accounts by requiring lower margin requirements for less volatile instruments and higher margin requirements for higher volatile instruments. This concept is illustrated below.

CFDs relate to underlying asset classes and financial instruments. We set out here below these classes together with the maximum leverage levels we make available through our trading platforms:

Base on Balance	Leverage on Frux Account	Leverage on Fides Account	Leverage on Respectus Account
0 – 200 USD	1 : 500	1 : 500	1 : 500
200 – 5000 USD	1 : 500	1 : 500	1 : 500
5000 – 10000 USD	1 : 300	1 : 300	1 : 400
10000 USD – 40000USD	1 : 200	1 : 200	1 : 300
40000 USD & above	1 : 100	1 : 100	1 : 100

FX Pairs: All currency pairs.Please visit our Financial Instrument pages to get details specifications : https://vestrado.com/products/financial-instrument/

Metals: Currency pairs composed with one of the following: XAU, XAG.

Shares: All shares.

Note that certain jurisdictions apply a cap on leverage ratios irrespective of any retail client categorization into Experienced or Less Experienced: the maximum leverage for clients from Europe is set to 1:100, with a margin of 1 percent. Clients from outside from South East Asia shall be restricted to a maximum leverage of 1:50 if the client is categorized as retail, and 1:100 for retail clients opting to be treated as professional clients.

KEY TERMS - LEVERAGE TRADING AND MARGIN

- What is Leveraged Trading?

Trading on leveraged capital means that you can trade amounts significantly higher than the funds you invest, which only serve as the margin. High leverage can significantly increase the potential return, but it can also significantly increase potential losses. Please see below an explanation on our "Negative Balance Protection" where we guarantee that you cannot lose more funds than what you have invested.

Example: If the leverage is 1:20 and if you as our client have $1,000 in your account, it means that you can now open trades worth $20,000.

- What is Spread?

The spread is the difference between the Bid price (selling price) and the Ask price (buying price) of the CFD. Example: If the quote for the EURUSD pair is 1.2910 against 1.2913, then the spread is 3 pip

- What is Initial/Required Margin?

Also known as the Initial Margin Requirement, the Initial Margin is the percentage of a financial instrument price that you, as the client, need to pay for with your own money. This requirement is basically the amount of collateral needed in order to open a margin position.

Required Margin or Margin Requirement refers to the amount you need in order to open and maintain a position, in addition to the initial loss that will occur due to the spread.

The Required Margin is derived from the following formula: (Amount * Instrument Price)/ Leverage + (Amount * Spread).

Example: trading 3 lots of EUR/USD using 1:200 leverage with an account denominated in USD, trade size: 300,000 and account currency exchange rate: 1.13798 would have a required margin of USD 1706.97 calculated by 300,000 / 200 * 1.13798 = $1706.97.

For XAU/USD, required margin for XAU will be set with this formula :

Example: for all account types that has symbols starting from “XAUUSD” margin requirements will have the following behavior:

‘’0=1;1=2;2=3;3=4’.

In this example the margin requirements will be 2 times higher than normal for open volumes 1.01 to 2, then 3 times higher for volumes 2.01 to 3 and 4 times higher for volumes 3.01 to infinity. Margin requirements are changing backward if volumes go down.

- What is Equity?

In short, Equity can be defined as the value of your portfolio with us. Effectively it is the value of your funds with the Company (which at any point in time include realized profits and losses) plus the unrealized profit and loss on your positions based on their latest quoted valuation.

- Introduction to Margin Level

The Margin Level indicates how close your account is to a margin call. It is calculated as Equity/Initial Margin and is typically shown in “%”. When the margin level decreases, your account bears an increased risk of liquidation. We call this the Close Out (stop out) Level and explain it further below. You are advised that you should monitor this margin level at all times. Whilst we may from time to time send you notifications of your Margin Level reaching certain thresholds, you are reminded that under the Agreement between you and us it is your responsibility to monitor at all times the margin level and take relevant actions.

Relevant actions that you can take to restore your Margin Level include:

- Closing or hedging some of your open positions;
- Depositing more funds that can help in averaging down your position.

Please note that we do not provide advice for the trading decisions and actions you take, including with respect to the actions you may take to address the Margin Level requirements such as the ones we refer to above.