

FAQ

TRADING RULES | FREQUENTLY ASKED QUESTIONS (FAQ):

**What is the difference between a Hard Breach and Soft Breach rule?**

- Soft breach means that we will close all trades that have violated the rule. However, you can continue trading in your Assessment or Funded Account.
- Hard breach means that you violated either the Daily Loss Limit or Max Drawdown rule. Both rules constitute a hard breach. In the event you have a hard breach, you will fail the Assessment or have your Funded Account taken away.

**How do you calculate the 4% Daily Loss Limit?**

The Daily Loss Limit is the maximum your account can lose in any given day. Daily Loss Limit is calculated using the previous day balance which resets at 5 PM EST. Unlike other firms, we do NOT base our calculations on previous day equity since the balance only model allows you to scale profits without fear of losing your account. The Daily Stop compounds with the increase in your account.

Example: if your prior day's end of day balance (5pm EST) was \$100,000, your account would violate the daily stop loss limit if your equity reached \$96,000 during the day. If your floating equity is +\$6,000 on a \$100,000 account, your new-day (5pm EST) max loss is based on your balance from the previous day (\$100,000).

So, your daily loss limit would still be \$96,000.

***There is no Daily Loss.***

The three-step program does not have a daily loss.

**How do you calculate the 8% Max Drawdown?**

*For 2 Step:*

Maximum drawdown is the maximum your account can drawdown before you would hard breach your account. When you open the account, your Maximum Drawdown is set at 8% of your starting balance. This 8% is static and does not trail.

*For 1 Step:*

The Maximum Trailing Drawdown is initially set at 6% and trails (using CLOSED BALANCE - NOT equity) your account

until you have achieved a 6% return in your account. Once you have achieved a 6% return the Maximum Trailing Drawdown no longer trails and is permanently locked in at your starting balance. This allows for more trading flexibility.

Example: If your starting balance is \$100,000, you can drawdown to \$94,000 before you would violate the Maximum Trailing Drawdown rule. Then for example let's say you take your account to \$102,000 in CLOSED BALANCE. This is your new high-water mark, which would mean your new Maximum Trailing Drawdown would be \$96,000.

Next, let's say you take your account to \$106,000 in CLOSED BALANCE, which would be your new high-water mark. At this point your

Maximum Trailing Drawdown would be locked in at your starting balance of \$100,000. So,

regardless of how high your account goes, you would only breach this rule if your account drew back down to \$100,000 (note, you can still violate

the daily drawdown). For example, if you take your account to \$170,000, as long as you do not drawdown more than 5%

in any given day, you would only breach if your account equity reaches \$100,000.

### **Why do I have to place a stop loss on trades?**

We believe in sound risk management using stop losses. To that end, we require a stop loss on every trade. If you fail to place a stop loss at the time of placing the trade/order, we will close the trade. This is only a soft breach rule, so you can continue trading in your account.

### **Can I hold positions over the weekend?**

We require all trades to be closed by 3:45pm EST on Friday. Any trades left open after this time will automatically be closed. Note, this is only a soft breach and you will be able to continue trading once the markets reopen.

### **What is 1 lot equal to on the Trading Platform?**

- Forex - 1 lot = \$100k notional
- Index - 1 lot = 10 Contracts
- Cryptos - 1 lot = 1 coin

- Stocks - 1 lot = 100 shares
- Silver - 1 lot = 5000 ounces
- Gold - 1 lot = 100 ounces
- Oil - 1 lot = 1000 barrels

How many lots can I trade? (Max Lots with Risk)

Below are the maximum open lots across all pairs that a trader can have at any given time.

- \$25K - 7.5 lots with risk
- \$50K - 15 lots with risk
- \$100K - 30 lots with risk
- \$250K - 75 lots with risk
- \$500K - 150 lots with risk
- \$1 million - 300 lots with risk

For example, if you are in the \$100k plan, you will be able to have 30 open lots with risk available.

If you buy 20 lots of EURUSD at 1.20 and your stop loss is at 1.18, you will have 20 lots on with risk, so you would have 10 still available. If the EURUSD moves up to 1.25, and you update your stop loss to be at 1.20, which would be your open price, you no longer have risk on that trade.

So, you would again have 30 lots available, even though you currently have 20 lots open. If you put on too many trades with risk, then our system will liquidate all trades that currently have risk.

Please note, margin and leverage requirements still apply.

So, even though these are the maximum lots that can be traded, it is possible based on the leverage of the account that you may not be able to trade up the maximum.

### **Is there a breach for inactivity?**

Yes. If you do not place a trade at least once every 30 days on your account, we will consider you inactive and your account will be breached.

### **FUNDED ACCOUNTS | FREQUENTLY ASKED QUESTIONS (FAQ):**

#### **How Long does it take to receive my Funded Account?**

Upon passing your Assessment, you will receive an email with instructions on how to access and complete your Trader Agreement and submit your AML/KYC documents.

Once the agreement is completed and supporting documentation is provided, your Funded Account will be created, funded and issued to you typically within 24-48 business hours.

### **Once I pass the Assessment am I provided with a demo or live account?**

Once you pass the Assessment, we provide you with a Virtual live account, backed by our capital. The capital in your Funded Account is notional and may not match the amount of capital on deposit with the Broker.

A Funded Account is notionally funded when actual funds in the account (i.e., the equity in a Funded Account represented by the amount of capital) differs from the nominal account size (i.e., the size of the Funded Account that establishes the initial account value and level of trading). Notional funds are the difference between nominal account size and actual capital in a Funded Account.

Use of notional funding does not change the trading level or that the account may trade in any manner differently than if notional funds were not used. In particular, the same conditions and rules applicable to a soft breach, hard breach, Daily Loss Limit, Max Trailing Drawdown, stop loss and position limits apply.

### **Do we manipulate the pricing or executions you receive in your Funded Account?**

No. We operate at an arm's length with the Broker. All market pricing and trade executions are provided by the Broker and are not changed or modified by us.

Additionally, we do not mark up transaction costs established by the Broker through adjusting bid-offer spreads, markups/markdowns, commission charges or swaps.

### **Who is the counterparty to my trades?**

For purposes of managing risk and minimizing transaction costs, we may offset or negate market risk and act as the direct counterparty to certain trades initiated in the Account. Such trades are executed at prices provided by the Broker.

This framework is intended to ensure you receive real market execution on your trades, while simultaneously allowing us to manage risk dynamically by routing existing positions or future orders to third parties for execution as we deem appropriate.

We believe that such real market execution and dynamic risk management would not be possible or as cost-effective if trades were executed in simulated accounts.

Regardless of whether we act as counterparty to your trades, the gain or loss on your Funded Account is not calculated differently.

However, when we act as the counterparty to your trades, there is an inherent potential conflict of interest because your trades do not result in net gain or loss to us, as your trades would if we were not the direct counterparty.

### **Am I subject to any position limits?**

We reserve the right to limit the number of open positions you may enter or maintain in the Funded Account at any time, and to revise in response to market conditions the drawdown levels at which trading in the Funded Account will be halted.

We or the Broker reserve the right to refuse to accept any order.

### **What are the rules for the Funded Account?**

The rules for the Funded Account are exactly the same as your Assessment account.

However, with a Funded Account, there is no profit target.

### **If I have a hard breach in my Funded Account and there are gains in the account, do I forfeit those gains?**

If you have gains in your Funded Account at the time of a hard breach, you will still receive your portion of those gains.

For example, if you have a \$100,000 account and you grow that account to \$110,000. Should you then have a hard breach we would close the account. Of the \$10,000 in gains in your Funded Account, you would be paid your portion thereof.

## **How do I withdraw the gains in my Funded Account?**

Traders can request a withdrawal of the gains in their Funded Account at any time in their trader dashboard, but no more frequently than once per thirty (30) days.

So, if you make gain in your Funded Account, you can request a withdrawal.

When you are ready to withdraw the gains from your Funded Account, click the Withdraw Profits button in your trader dashboard and enter the amount to withdraw.

Once your withdrawal request is approved, we will pay the monies owed to you via your selected method.

## **When can I withdraw the gains in my Funded Account and how does that affect my Maximum Drawdown?**

Your first withdrawal can be requested at any time. Thereafter, you can request a withdrawal of the gains in your account every 30 days.

When a withdrawal is approved, we will also withdraw our share of the gains, and your max drawdown will lock in at your starting balance.

The Maximum Drawdown does not reset when you request a withdrawal. Example: You have taken an account from \$100,000 to \$120,000.

You then request a withdrawal of \$16,000. In this scenario, you will receive \$12,000 and we would retain \$4,000.

This would also take the balance of the account down to \$104,000, and your Maximum Drawdown is locked in at \$100,000.

So, you would have \$4,000 maximum you could lose on the account before it would violate the Maximum Drawdown rule.

If you take a full withdrawal of the gains in your Funded Account, the Maximum Drawdown will still lock in at the starting balance and will therefore result in the forfeiting of your Funded Account, as your balance will trigger the Maximum Drawdown breach rule.

## **OTHER GENERAL QUESTIONS:**

**Do I have to use one of your accounts for the Assessment or can I use my own?**

We have risk management software that is synced with the accounts we create. This allows us to analyze your performance in real time for achievements or rule violations. As such, you must use an account that we provide to you.

### **What Countries are accepted?**

Subject to compliance with applicable laws and regulations, traders from all countries, excluding OFAC listed countries, can take part in our program.

### **What is the minimum age I must be to be part of your program?**

You must be at least 18 years of age, or the applicable minimum legal age in your country, to purchase an assessment.

### **Where do I track the progress of my account?**

Upon purchasing an Assessment, you will receive access to a trader dashboard where you can monitor your Assessment and Funded Accounts. The dashboard is updated every time we calculate metrics, which occurs roughly every 60 seconds. It is your responsibility to monitor your breach levels.

### **What Platform can I trade on?**

Our risk management technology is currently integrated with the MT4 and MT5 platforms. These platforms, along with pricing and execution are provided by our Broker.

### **What products can I trade?**

You can trade any products offered by the Broker, as such products may change from time to time. This includes FX pairs and CFD Indices, Metals, Equity Shares, and Cryptocurrencies.

### **What is the leverage?**

We allow up to 30:1 leverage. Forex, Metals, and Indices are 10:1. Equity shares are 5:1. Cryptos are 2:1.

### **What are the trading hours?**

Trading hours are set by the Broker. We do not have any control over the trading hours. You can see the trading hours

for each product by right-clicking on any product in the Market Watch window of the MT4 or MT5 platform and selecting Specifications from the dropdown menu.

Please note that holidays can have an impact on available trading hours.

Additionally, pursuant to the no holding trades over the weekend rule, we close all open trades at 3:45pm EST on Fridays.

### **Do your accounts charge commissions?**

We use the RAW accounts from the Broker. These accounts have commission charges for Forex and Equity Share CFDs.

The other products do not carry a commission.

### **Can I use an Expert Advisor?**

Subject to our policy on Prohibited Trading as described below, you can trade using an Expert Advisor.

### **What is the policy on Prohibited Trading Activity?**

You are also prohibited from using any trading strategy that is expressly prohibited by the Company or the Brokers it uses.

Such prohibited trading (“Prohibited Trading”) shall include, but not be limited to:

- Exploiting errors or latency in the pricing and/or platform(s) provided by the Broker
- Utilizing non-public and/or insider information
- Front-running of trades placed elsewhere
- Trading in any way that jeopardizes the relationship that the Company has with a Broker or may result in the canceling of trades
- Trading in any way that creates regulatory issues for the Broker
- Utilizing any third-party strategy, off-the-shelf strategy or one marketed to pass challenge accounts
- Utilizing one strategy to pass an assessment and then utilizing a different strategy in a funded account, as determined by the Company in cooperation with Prop Account, LLC at their discretion
- Holding a Single Share Equity CFD position into an earnings release pertaining to that underlying equity. To avoid being in breach of this rule, you must close all such Single Share Equity CFD positions by 3:50 pm Eastern Time on the day of the release, if an aftermarket release, or on the preceding day, if a before market open release. Violation of



this rule will constitute an immediate, hard breach of your account and any gain or loss on said position will be removed from any calculations.

- Entering into an Equity CFD at or near the end of the trading day with intent of profiting from the marketing gap between when the market closes and reopens on the subsequent trading day, as determined by the Company in its sole and absolute discretion.
- Attempting to arbitrage an assessment account with another account with the Company or any third-party company, as determined by the Company in its sole and absolute discretion.

If we detect that your trading constitutes Prohibited Trading, your participation in the program will be terminated and may include forfeiture of any fees paid to us. Additionally, and before you shall receive a funded account, the trading activity of the Trader under these Terms and Conditions shall be reviewed by us to determine whether such trading activity constitutes Prohibited Trading. In the case of Prohibited Trading, the Trader shall not receive a Funded Account.

Additionally, we reserve the right to disallow or block You from participating in the program for any reason, in our sole and absolute discretion.

### **Can I trade during News Events?**

Yes, you can trade during the news provided that pricing data from the Broker continue to be provided.

### **How are taxes handled?**

When trading a Funded Account for our firm, you are treated as an independent contractor. As a result, you are responsible for any and all taxes on your gains.

### **How are affiliates credited?**

Affiliates are credited for referrals when a new user to the prop firm creates an account using a link or discount code provided by the Affiliate.

Affiliates are not credited for subsequent purchases made by the referred customer and customers cannot be attached to an affiliate after they've created an account.