# COSTS AND CHARGES DOCUMENT

## A. SCOPE OF THIS DOCUMENT

The present contains description of the costs that might incur while trading in the different asset classes of CFDs offered by iCFD Limited (the "**Company**" or "**iCFD**"); formulae that can be used in order to calculate certain associated costs; as well as relevant worked examples based on different performance scenarios, which illustrate, among others, a breakdown of the applicable costs and the effect of such costs on both (i) the investment, and (ii) the P/L generated. It shall always by noted that the total costs might increase or decrease proportionate to the actual trading sizes and volumes.

## B. COST ASSOCIATED TO CFDs TRADING

### 1) CURRENCY CFDs

a) Applicable costs and charges

*Spread*

A spread is the difference between the Sell ("Bid") price and the Buy ("Ask") price of an asset and is considered as the cost for opening a trade. The minimum spread per instrument is detailed on iCFD's website but each client may have different spread according to the client's history, volume, activities or certain promotions.

*Overnight Financing*

iCFD applies Overnight Financing for deals that remain open at the end of their underlying asset's daily trading session. This Overnight Financing may be subject to credit or debit, calculated on the basis of the quoted currency/ies' interest rates for the currencies in which the underlying instrument is traded, plus an interest fee (mark-up). The mark-up for currency pairs is 0.75%, excluding exotic currency pairs, which may necessitate higher mark-up levels that may differ between Long (Buy) and Short (Sell) positions.

If the calculated Overnight Financing percentage is positive, it means that an applicable amount will be added (credited) to the client's account. A negative Overnight Financing percentage means that an applicable amount will be subtracted (debited) from the client's account. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the then prevailing exchange rates.

*Formulae*

1. Formula for Currencies Overnight Financing =
   For Buy (Long Positions): **∑ (- ((3M mid interest rate of quote currency – 3M mid interest rate of base currency + interest fee)/360) x Deal Amount x Average Rate During Overnight Financing)**
   For Sell (Short Positions): **∑ ((3M mid interest rate of quote currency - 3M mid interest rate of base currency + interest fee)/360) x Deal Amount x Average Rate During Overnight Financing).** As Overnight Financing calculation is based on daily variables such as the Closing Rate and the 3M mid

Interest Rate, every run can get different values. As a result, to calculate all the Overnight Financing for a specific position, it is required to sum (i.e. the Sigma) all the Overnight Financing daily occurrences of the position.

2. Formula for **3M mid interest rate = (3M Bid + 3M Ask) / 2**
   3M Bid = 3 months interbank bid rate (deposit rate)
   3M Ask = 3 months interbank ask rate (lending rate)

3. **Interest fee** = mark-up of the interest rate. For currencies it's 0,75%

excluding exotic currency pairs, which may necessitate higher mark-up levels that may differ between Long (Buy) and Short (Sell) positions.

4. **Deal Amount** = expressed in the base asset units

5. **Average Rate During Overnight Financing** = the last known rate if you were to close your deal when the Overnight Financing occurred

If the calculated Overnight Financing is positive, it means that an applicable amount will be added (credited) to the client's account. It will reduce the total cost of the deal. A negative Overnight Financing means that an applicable amount will be subtracted (debited) from the client's account, thus increasing the total cost of the deal. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the prevailing exchange rates.

CFD which is traded 5 days a week will be credited or debited with a value 3 times the displayed Overnight Financing value during the last day of its underlying asset trading week.

b) Currency CFD - Trading Example in EUR/GBP

For the purpose of the examples below we will assume a deal size of 10,000 on EUR/GBP and a 3 pips spread. One pip on EUR/GBP equals to 0.0001 GBP. (0.0001) x (-3) x 10,000 = -3 GBP.

It shall be noted that the spread is the immediate loss upon opening the deal as it reflects the scenario of closing the deal at that moment. Therefore, in our example, immediately after opening the deal, the P/L of that deal will be -3 GBP.

**1st scenario**

Assuming that you opened a buy position of 10,000 on EUR/GBP on 12/10/2017 07:26 GMT and closed the position on 12/10/2017 11:04 GMT.

The position was opened and closed within the same day.

During this period no Overnight Financing was executed.

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/GBP) | 0.90131 |
| Conversion Spread | 0.00015 |
| Instrument | EUR/GBP |
| 1 PIP Value | 0.0001 |
| Deal Direction | Buy (i.e. Long) |
| Time Period (number of days the deal was kept open overnight) | 0 |
| Opening Quote - Sell (BID) | 0.8958 |
| Opening Quote - Buy (ASK) | 0.8961 |
| Spread (pips) | 3 |
| Deal Amount | 10000 |
| Average Rate During Overnight Financing | N/A |
| 3M mid interest rate | N/A |
| Currency Pairs Interest Fee | 0.75% |
| Overnight Financing | N/A |
| Overnight Financing Amount | N/A |
| Rate spread | = 0.0001 x 3 x 10,000 |
| | £3.00 |
| Converted rate spread | = 3/0.90116 |
| | -€ 3.33 |
| Overnight funding | N/A |
| Rollover | N/A |

| | |
|---|---|
| PL before cost | £46.70 |
| PL after cost | £49.70 |
| PL conversion | = (49.7/ 0.90146) - (49.7 / 0.90146) |
| | -€ 0.0092 |
| Total cost | = - 3.33 - 0.00092 |
| | -€ 3.3382 |
| Investment size (deal size) | € 9,942.20 |
| Return of investment before cost (%) | 0.521% |
| Total cost (%) | 0.034% |
| Return of investment after cost (%) | 0.487% |

**2nd scenario**

Assuming that you opened a buy position of 10,000 on EUR/GBP on 03/10/2017 and closed the position on 06/10/2017.

The position was kept open for 4 days (3 nights).

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/GBP) | 0.8979 |
| Conversion Spread | 0.00015 |
| Instrument | EUR/GBP |
| 1 PIP Value | 0.0001 |
| Deal Direction | Buy (i.e. Long) |
| Time Period (number of days the deal was kept open overnight) | 3 |
| Opening Quote - Sell (BID) | 0.8869 |
| Opening Quote - Buy (ASK) | 0.8872 |
| Spread (pips) | 3 |
| Deal Amount | 10000 |

| | |
|---|---|
| Average Rate During Overnight Financing | 0.8932 |
| EUR 3M Bid | -0.44% |
| EUR 3M Ask | -0.22% |
| GBP 3M Bid | 0.40% |
| GBP 3M Ask | 0.60% |
| EUR 3M mid interest rate | (-0.44% - 0.22%)/2 |
| | -0.33% |
| GBP 3M mid interest rate | (0.40% + 0.60%)/2 |
| | 0.50% |
| Currency Pairs Interest Fee | 0.75% |
| Overnight Financing | ∑ (- ((3M mid interest rate of quote currency – 3M mid interest rate of base currency + interest fee)/360) x Deal Amount x Average Rate During Overnight Financing) |
| | ∑ (- ((0.50% – (-0.33%) + 0.75%)/360) x 10,000 x 0.8932) |
| Overnight Financing Amount | -£0.39 |
| Rate spread | = 0.0001 x 3 x 10,000 |
| | £3.00 |
| Converted rate spread | = 3 / 0.89775 |
| | -€ 3.3417 |
| Overnight funding | = 3 x 0.39 |
| | -£1.18 |
| Converted overnight funding | = -1.18 / 0.89775 |
| | -€ 1.3100 |
| Rollover | N/A |
| PL before cost | £102.10 |
| PL after cost | £105.10 |

| | |
|---|---|
| PL conversion | = (105.1/ 0.89805) - (105.1 / 0.8979) |
| | -€ 0.0196 |
| Total cost | = -3.3417 -1.3100 -0.0196 |
| | -€ 4.6712 |
| Investment size (deal size) | € 9,881.17 |
| Return of investment before cost (%) | 1.151% |
| Total cost (%) | 0.047% |
| Return of investment after cost (%) | 1.103% |

**3rd scenario**

Assuming that you opened a sell position of 10,000 on EUR/GBP on 08/06/2017 and closed the position on 13/09/2017.

The position was kept open for 98 days (97 nights).

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/GBP) | 0.90176 |
| Conversion Spread | 0.00015 |
| Instrument | EUR/GBP |
| 1 PIP Value | 0.0001 |
| Deal Direction | Sell (i.e. Short) |
| Time Period (number of days the deal was kept open overnight) | 97 |
| Opening Quote - Sell (BID) | 0.8659 |
| Opening Quote - Buy (ASK) | 0.8662 |
| Spread (pips) | 3 |
| Deal Amount | 10000 |
| Average Rate During Overnight Financing | 0.8786 |
| EUR 3M Bid | -0.44% |
| EUR 3M Ask | -0.22% |

| | |
|---|---|
| GBP 3M Bid | 0.27% |
| GBP 3M Ask | 0.47% |
| EUR 3M mid interest rate | (-0.44% - 0.22%)/2 |
| | -0.33% |
| GBP 3M mid interest rate | (0.27% + 0.47%)/2 |
| | 0.37% |
| Currency Pairs Interest Fee | 0.75% |
| Overnight Financing | ∑ ((3M mid interest rate of quote currency – 3M mid interest rate of base currency - interest fee)/360) x Deal Amount x Average Rate During Overnight Financing) |
| | ∑ ((0.37% – (-0.33%) - 0.75%)/360) x 10,000 x 0.8786) |
| Overnight Financing Amount | -£0.01 |
| Rate spread | = 0.0001 x 3 x 10,000 |
| | £3.00 |
| Converted rate spread | = 3 / 0.90161 |
| | -€ 3.3274 |
| Overnight funding | = 97 x 0.01 |
| | -£1.18 |
| Converted overnight funding | = 1.18 / 0.90161 |
| | -€ 1.3128 |
| Rollover | N/A |
| PL before cost | £356.02 |
| PL after cost | £360.20 |
| PL conversion | = (360.2/ 0.90191) - (360.2 / 0.90191) |
| | -€ 0.0664 |
| Total cost | = - 3.3274 - 1.3128 - 0.0664 |

| | |
|---|---|
| | -€ 2.0810 |
| Investment size (deal size) | € 9,605.66 |
| Return of investment before cost (%) | 4.123% |
| Total cost (%) | 0.022% |
| Return of investment after cost (%) | 4.101% |

**4th scenario**

Assuming that you opened a sell position of 10,000 on EUR/TRY on 03/10/2017 and closed the position on 06/10/2017.

The position was kept open for 4 days (3 nights).

** This example involves a situation whereby the Interbank Rate difference is HIGHER than the markup for currency pairs and Short markup (14%) is higher than Long markup (0.75%):

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/TRY) | 4.19 |
| Conversion Spread | 0.0005 |
| Instrument | EUR/TRY |
| 1 PIP Value | 0.0001 |
| Deal Direction | Sell (i.e. Short) |
| Time Period (number of days the deal was kept open overnight) | 3 |
| Opening Quote - Sell (BID) | 4.1845 |
| Opening Quote - Buy (ASK) | 4.1855 |
| Spread (pips) | 10 |
| Deal Amount | 10000 |
| Average Rate During Overnight Financing | 4.2115 |
| EUR 3M Bid | -0.44% |
| EUR 3M Ask | -0.22% |
| TRY 3M Bid | 21.25% |

| | |
|---|---|
| TRY 3M Ask | 24.25% |
| EUR 3M mid interest rate | (-0.44% - 0.22%)/2 |
| | -0.33% |
| TRY 3M mid interest rate | (21.25% + 24.25%)/2 |
| | 22.75% |
| Interbank Rates difference | **23.08% (>0.75%) |
| Currency Pairs Interest Fee | 14% |
| Overnight Financing | ∑ ((3M mid interest rate of quote currency – 3M mid interest rate of base currency - interest fee)/360) x Deal Amount x Average Rate During Overnight Financing) |
| | ∑ ((22.75% – (-0.33%) - 14%)/360) x 10,000 x 4.2115) |
| Overnight Financing Amount | +10 TRY |
| Rate spread | = 0.0001 x 10 x 10,000 |
| | 10.00 TRY |
| Converted rate spread | = 10 / 4.1845 |
| | -€ 2.39 |
| Overnight funding | = 3 x 10 TRY |
| | 30 TRY |
| Converted overnight funding | = 30 / 4.1855 |
| | € 7.16 |
| Rollover | N/A |
| PL before cost | 340.20 TRY |
| PL after cost | 360.20 TRY |
| PL conversion | = (360.2/ 4.1905) - (360.2 / 4.19) |
| | -€ 0.0103 |
| Total cost | = - 2.39 + 7.16 - 0.0103 |

| | |
|---|---|
| | € 4.76 |
| Investment size (deal size) | € 9,989.26 |
| Return of investment before cost (%) | 0.813% |
| Total cost (%) | 0.048% (positive) |
| Return of investment after cost (%) | 0.860% |

All P/L and Overnight Financing amounts that are quoted in a currency which differs from the account's currency, are converted to the account currency according to the market rates and the market spread.

If your account is in a currency other than the quote currency, the P/L and Overnight Financing will be converted to the account currency. Positive amounts (credit) are converted according to the Buy (Ask) rate and Negative amounts (debit) are converted according to the Sell (Bid). As the spread is a cost, it is considered as a negative amount and therefore will be converted according to the Sell rate. In our example, EUR/GBP is quoted in GBP, so assuming that your account is in EUR, any negative amount will be converted as per the EUR/GBP Sell (Bid) rate, while any positive amount will be converted as per the EUR/GBP Buy (Ask) rate.

**2) SHARE CFDs**

a) <u>Applicable cost and charges</u>

*Spread*

A spread is the difference between the Sell ("Bid") price and the Buy ("Ask") price of an asset and is considered as the cost for opening a trade. The minimum spread per instrument is detailed on iCFD's website but each client may have different spread according to the client's history, volume, activities or certain promotions.

*Overnight Financing*

iCFD applies Overnight Financing for deals that remain open at the end of their underlying asset daily trading session. This Overnight Financing may be subject to credit or debit, calculated on the basis of the quoted currency/ies interest rates, plus a mark-up. The mark-up for share CFDs is 5%.

If the calculated Overnight Financing percentage is positive, it means that an applicable amount will be added (credited) to the client's account. A negative Overnight Financing percentage means that an applicable amount will be

subtracted (debited) from the client's account. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the then prevailing exchange rates.

*Formulae*

1. Formula for Shares Overnight Financing =
   For Buy (Long Positions): **∑ (- ((3M mid interest rate + interest fee)/360)) x Deal Amount x Average Rate During Overnight Financing**
   For Sell (Short Positions): **∑ ((3M mid interest rate - interest fee)/360) x Deal Amount x Average Rate During Overnight Financing**

2. As Overnight Financing calculation is based on daily variables such as the Closing Rate and the 3M mid Interest Rate, every run can get different values. As a result, to calculate all the Overnight Financing for a specific position, it is required to sum (i.e. the Sigma) all the Overnight Financing daily occurrences of the position.

3. Formula for **3M mid interest rate = (3M Bid + 3M Ask) / 2**
   3M Bid = 3 months interbank bid rate (deposit rate)

   3M Ask = 3 months interbank ask rate (lending rate)

4. **Interest fee** = mark-up of the interest rate. For shares it's 5%

5. **Deal Amount** = expressed in the base asset units

6. **Average Rate During Overnight Financing** = the last known rate if you were to close your deal when the Overnight Financing occurred

If the calculated Overnight Financing is positive, it means that an applicable amount will be added (credited) to the client's account. It will reduce the total cost of the deal. A negative Overnight Financing means that an applicable amount will be subtracted (debited) from the client's account, thus increasing the total cost of the deal. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the prevailing exchange rates.

CFD which is traded 5 days a week will be credited or debited with a value 3 times the displayed Overnight Financing value during the last day of its underlying asset trading week.

b) <u>Shares CFDs trading example on Apple share</u>

For the purpose of the examples below we will assume a deal size of 50 shares on Apple CFD and a 6 pips spread. One pip on Apple CFD's equals to 0.01 U.S. dollar ($0.01). 0.01 x (-6) x 50 = -$3

The spread is the immediate loss upon opening the deal as it reflects the scenario of closing the deal at that moment. Therefore, in our example, immediately after opening the deal, your P/L of that deal will be -$6.

**1st scenario**

Assuming that you opened a buy position on a CFD of 50 shares on Apple on 06/11/2017 15:26 GMT and closed the position on 06/11/2017 17:00 GMT.

The position was opened and closed within the same day.

During this period no Overnight Financing was executed.

| | |
|---|---|
| Account Currency | PLN |
| Conversion Rate (EUR/PLN) | 3.65575 |
| Conversion Spread | 0.00095 |
| Instrument | Apple |
| 1 PIP Value | 0.01 |
| Deal Direction | Buy (i.e. Long) |
| Time Period (number of days the deal was kept open overnight) | 0 |
| Opening Quote - Sell (BID) | 173.510 |
| Opening Quote - Buy (ASK) | 173.570 |
| Spread (pips) | 6 |
| Deal Amount | 50 |
| Average Rate During Overnight Financing | N/A |
| 3M mid interest rate | N/A |
| Shares Interest Fee | 5.00% |
| Overnight Financing | N/A |
| Overnight Financing Amount | N/A |
| Rate spread | = 0.01 x 50 x 6 |
| | $3.00 |
| Converted rate spread | = 3 x 3.65665 |
| | -PLN 10.9701 |

| | |
|---|---|
| Overnight funding | N/A |
| Rollover | N/A |
| PL before cost | $53.50 |
| PL after cost | $50.50 |
| PL conversion | = (50.5 x 3.6548) - (50.5 x 3.65575) |
| | -PLN 0.0480 |
| Total cost | = - 10.9701 - 0.048 |
| | -PLN 11.0181 |
| Investment size (deal size) | PLN 31,726.4264 |
| Return of investment before cost (%) | 0.616% |
| Total cost (%) | 0.035% |
| Return of investment after cost (%) | 0.582% |

**2nd scenario**

Assuming that you opened a buy position on a CFD of 50 shares of Apple on 12/09/2017 and closed the position on 15/09/2017.

The position was kept open for 4 days (3 nights).

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/USD) | 1.1928 |
| Conversion Spread | 0.0001 |
| Instrument | Apple |
| 1 PIP Value | 0.01 |
| Deal Direction | Buy (i.e. Long) |
| Time Period (number of days the deal was kept open overnight) | 3 |
| Opening Quote - Sell (BID) | 161.160 |
| Opening Quote - Buy (ASK) | 161.220 |
| Spread (pips) | 6 |
| Deal Amount | 50 |

| | |
|---|---|
| Average Rate During Overnight Financing | 158.110 |
| US Dollar 3M Bid | 1.27% |
| US Dollar 3M Ask | 1.47% |
| 3M mid interest rate | (1.27% + 1.47%)/2 |
| | 1.370% |
| Shares Interest Fee | 5.00% |
| Overnight Financing | =∑(- ((3M mid interest rate + interest fee)/360)) x Deal Amount x Average Rate During Overnight Financing |
| | ∑ (- ((1.37% + 5%)/360) x 50 x 158.110) |
| Overnight Financing Amount | -$1.40 |
| Rate spread | = 0.01 x 50 x 6 |
| | $3.00 |
| Converted rate spread | = -3/1927 |
| | -€ 2.5153 |
| Overnight funding | = 3 x 1.40 |
| | -$4.20 |
| Converted overnight funding | = 4.20 / 1.1927 |
| | -$3.52 |
| Rollover | N/A |
| PL before cost | $165.20 |
| PL after cost | $158.00 |
| PL conversion | = (158 / 1.1929) - (158 / 1.1928) |
| | -€ 0.0111 |
| Total cost | = - 2.5153 - 3.5185 - 0.0111 |
| | € 6.0449 |
| Investment size (deal size) | € 6,758.05 |

| | |
|---|---|
| Return of investment before cost (%) | 2.049% |
| Total cost (%) | 0.089% |
| Return of investment after cost (%) | 1.960% |

**3rd scenario**

For the 3rd scenario we will assume that you opened a sell position on a CFD of 100 shares of Apple on 31/07/2017 and closed the position on 06/11/2017.

The position was kept open for 99 days (98 nights).

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate | 1.15845 |
| Conversion Spread (EUR/USD) | 0.0001 |
| Instrument | Apple |
| 1 PIP Value | 0.01 |
| Deal Direction | Sell (i.e. Short) |
| Time Period (number of days the deal was kept open overnight) | 98 |
| Opening Quote - Sell (BID) | 148.320 |
| Opening Quote - Buy (ASK) | 148.380 |
| Spread (pips) | 6 |
| Deal Amount | 100 |
| Average Rate During Overnight Financing | 172.460 |
| US Dollar 3M Bid | 1.34% |
| US Dollar 3M Ask | 1.54% |
| 3M mid interest rate | (1.34% + 1.54%)/2<br>1.440% |
| Shares Interest Fee | 5.00% |
| Overnight Financing | ((3M mid interest rate - interest fee)/360) x Deal |

| | |
|---|---|
| | Amount x Average Rate During Overnight Financing |
| | ∑ ((1.44% - 5%)/360) x 100 x 172.46) |
| Overnight Financing Amount | -$1.71 |
| Rate spread | = 0.01 x 100 x 6 |
| | $6.00 |
| Converted rate spread | = -6/1.15835 |
| | -€ 5.1798 |
| Overnight funding | = 98 x 1.71 |
| | -$167.13 |
| Converted overnight funding | = 167.13/1.15835 |
| | -€ 144.2853 |
| Rollover | N/A |
| PL before cost | -$2,441.87 |
| PL after cost | -$2,615.00 |
| PL conversion | = (2615 / 1.15835) - (2615 / 1.15845) |
| | -€ 0.1949 |
| Total cost | = - 5.1798 - 144.2853 - 0.1949 |
| | € 149.6600 |
| Investment size (deal size) | € 12,803.31 |
| Return of investment before cost (%) | -16.462% |
| Total cost (%) | 1.169% |
| Return of investment after cost (%) | -17.631% |

All P/L and Overnight Financing amounts that are quoted in a currency which differs from the account's currency, are converted to the account currency according to the market rates and the market spread.

If your account is in a currency other than the quote currency, the P/L and Overnight Financing will be converted to the account currency. Positive amounts (credit) are converted according to the Buy (Ask) rate and Negative amounts (debit) are converted according to the Sell (Bid). As the spread is a cost, it is considered as a negative amount and therefore will be converted according to the Sell rate. In our example, Apple CFD is quoted in USD, so assuming that your account is in EUR, any negative amount will be converted as per the EUR/USD Sell (Bid) rate, while any positive amount will be converted as per the EUR/USD Buy (Ask) rate.

## C. COMMODITY CFDs

a) Applicable cost and charges

*Spread*

A spread is the difference between the Sell ("Bid") price and the Buy ("Ask") price of an asset and is considered as the cost for opening a trade. The minimum spread per instrument is detailed on iCFD's website but each client may have different spread according to the client's history, volume, activities or certain promotions.

*Overnight Financing*

iCFD applies Overnight Financing for deals that remain open at the end of their underlying asset daily trading session. This Overnight Financing may be subject to credit or debit, calculated on the basis of the quoted currency/ies interest rates, plus a mark-up. The mark-up for commodity instruments is 2.5%.

If the calculated Overnight Financing percentage is positive, it means that an applicable amount will be added (credited) to the client's account. A negative Overnight Financing percentage means that an applicable amount will be subtracted (debited) from the client's account. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the then prevailing exchange rates.

*Formulae*

1. Formula for Commodities Overnight Financing =
   For Buy (Long Positions): $\sum$ **(- ((3M mid interest rate + interest fee)/360)) x Deal Amount x Average Rate During Overnight Financing**

For Sell (Short Positions): ∑ **((3M mid interest rate - interest fee)/360) x Deal Amount x Average Rate During Overnight Financing**

2. As Overnight Financing calculation is based on daily variables such as the Closing Rate and the 3M mid Interest Rate, every run can get different values. As a result, to calculate all the Overnight Financing for a specific position, it is required to sum (i.e. the Sigma) all the Overnight Financing daily occurrences of the position.
3. Formula for **3M mid interest rate = (3M Bid + 3M Ask) / 2**
   3M Bid = 3 months interbank bid rate (deposit rate)

   3M Ask = 3 months interbank ask rate (lending rate)
4. **Interest fee** = mark-up of the interest rate. For commodity CFD's it's 2.5%
5. **Deal Amount** = expressed in the base asset units
6. **Average Rate During Overnight Financing** = the last known rate if you were to close your deal when the Overnight Financing occurred

If the calculated Overnight Financing is positive, it means that an applicable amount will be added (credited) to the client's account. It will reduce the total cost of the deal. A negative Overnight Financing means that an applicable amount will be subtracted (debited) from the client's account, thus increasing the total cost of the deal. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the prevailing exchange rates.

CFD which is traded 5 days a week will be credited or debited with a value 3 times the displayed Overnight Financing value during the last day of its underlying asset trading week.

*Contract Rollover*

While Future Contracts have Expiration Dates, CFDs that are based on Future Contracts have Rollover Dates, which ensure the continuity of the deal instead of closing it. Upon reaching the rollover date, all open deals of the relevant CFDs will be rolled-over to the next contract, so that the deal remain open while tracking the new future contract. Upon effectuating such rollover, the position's open P/L will be adjusted according to the price difference between the expired and new contract prices thus keeping the open P/L unchanged. This action is like closing the deal on the last price of the old future contract and reopening it with the first price of the new future contract, thus additional spread is charged in the process.

Information in regards to rollover dates can be found in iCFD's website.

b) <u>Commodity CFDs trading example on WTI OIL</u>

For the purpose of the example below we will assume a deal of 250 units of WTI Oil and a 4 pips spread. One pip of WTI Oil equals to 1 U.S. cent. ($0.01) 250 x (-4) = -$10

The spread is the immediate loss upon opening the deal as it reflects the scenario of closing the position at that moment. Therefore, immediately after opening the deal, your P/L of that deal will be -$10.

**1st scenario**

Assuming that you opened a buy position on a CFD of 250 barrels on WTI OIL on 15/11/2017 05:14 GMT and closed the position on 15/11/2017 15:45 GMT.

The position was opened and closed within the same day.

During this period no rollover or Overnight Financing were executed.

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/USD) | 1.18082 |
| Conversion Spread | 0.0001 |
| Instrument | WTI OIL |
| 1 PIP Value | 0.01 |
| Deal Direction | Buy (i.e. Long) |
| Time Period (number of days the deal was kept open overnight) | 0 |
| Opening Quote - Sell (BID) | 55.277 |
| Opening Quote - Buy (ASK) | 55.317 |
| Spread (pips) | 4 |
| Deal Amount | 250 |
| Average Rate During Overnight Financing | N/A |
| 3M mid interest rate | N/A |
| Commodities Interest Fee | 2.50% |
| Overnight Financing | N/A |
| Overnight Financing Amount | N/A |
| Rate spread | = 0.01 x 250 x 4 |
| | $10.00 |
| Converted rate spread | = 10/1.18072 |

| | |
|---|---|
| | -€ 8.47 |
| Overnight funding | N/A |
| Rollover | N/A |
| PL before cost | $63.25 |
| PL after cost | $73.25 |
| PL conversion | = (73.25 / 1.18092) - (73.25 / 1.18082) |
| | -€ 0.0053 |
| Total cost | = - 8.4694 - 0.0053 |
| | -€ 8.4747 |
| Investment size (deal size) | € 11,711.56 |
| Return of investment before cost (%) | 0.457% |
| Total cost (%) | 0.072% |
| Return of investment after cost (%) | 0.385% |

**2nd scenario**

Assuming that you opened a buy position on a CFD of 250 barrels of WTI OIL on 09/01/2018 and closed the position on 12/01/2018.

The position was kept open for 4 days (3 nights).

During this period no rollover was executed.

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/USD) | 1.21365 |
| Conversion Spread | 0.0001 |
| Instrument | WTI OIL |
| 1 PIP Value | 0.01 |
| Deal Direction | Buy (i.e. Long) |
| Time Period (number of days the deal was kept open overnight) | 3 |

| | |
|---|---|
| Opening Quote - Sell (BID) | 62.074 |
| Opening Quote - Buy (ASK) | 62.114 |
| Spread (pips) | 4 |
| Deal Amount | 250 |
| Average Rate During Overnight Financing | 63.525 |
| US Dollar 3M Bid | 1.67% |
| US Dollar 3M Ask | 1.87% |
| 3M mid interest rate | (1.67% + 1.87%)/2 |
| | 1.770% |
| Commodities Interest Fee | 2.50% |
| Overnight Financing | = (- ((3M mid interest rate + interest fee)/360)) x Deal Amount x Average Rate During Overnight Financing |
| | ∑ (- ((1.77% + 2.5%)/360) x 250 x 63.525) |
| Overnight Financing Amount | -$1.88 |
| Rate spread | = 0.01 x 250 x 4 |
| | $10.00 |
| Converted rate spread | = -10/1.21355 |
| | -€ 8.2403 |
| Overnight funding | = 3 x 1.88 |
| | -$5.65 |
| Converted overnight funding | = -5.65/1.21355 |
| | -€ 4.6567 |
| Rollover | N/A |
| PL before cost | $258.90 |
| PL after cost | $263.25 |

| | |
|---|---|
| PL conversion | = ( 263.25/ 1.21375) - (263.25 / 1.21365) |
| | -€ 0.0179 |
| Total cost | = - 8.2403 - 4.6567 - 0.0179 |
| | -€ 12.9148 |
| Investment size (deal size) | € 12,794.87 |
| Return of investment before cost (%) | 1.667% |
| Total cost (%) | -0.101% |
| Return of investment after cost (%) | 1.768% |

**3rd scenario**

Assuming that you opened a sell position on a CFD of 250 contracts of WTI OIL on 27/10/2017 and closed the position on 25/01/2018.

The position was kept open for 91 days (90 nights).

During this period 1 rollover was executed.

| | |
|---|---|
| Account Currency | PLN |
| Conversion Rate (EUR/PLN) | 3.35245 |
| Conversion Spread | 0.00095 |
| Instrument | WTI OIL |
| 1 PIP Value | 0.01 |
| Deal Direction | Sell(i.e. Long) |
| Time Period (number of days the deal was kept open overnight) | 90 |
| Opening Quote - Sell (BID) | 53.407 |
| Opening Quote - Buy (ASK) | 53.447 |
| Spread (pips) | 4 |
| Deal Amount | 250 |

| | |
|---|---|
| Average Rate During Overnight Financing | 65.775 |
| US Dollar 3M Bid | 1.81% |
| US Dollar 3M Ask | 2.00% |
| 3M mid interest rate | = (1.81% + 2.00)/2 |
| | 1.905% |
| Commodities Interest Fee | 2.50% |
| Overnight Financing | ∑ ((3M mid interest rate - interest fee)/360) x Deal Amount x Average Rate During Overnight Financing |
| | ∑ ((1.905% - 2.5%)/360) x 250 x 65.775) |
| Overnight Financing Amount | -$0.27 |
| Rate spread | = 0.01 x 250 x 4 |
| | $10.00 |
| Converted rate spread | = -10 x 3.3515 |
| | -PLN 33.5340 |
| Overnight funding | = 90 x 0.27 |
| | -$24.46 |
| Converted overnight funding | = 24.46 x 3.3534 |
| | -PLN 82.0244 |
| Rollover | = 0.01 x 250 x 4 |
| | $10.00 |
| Converted Rollover | = -10 x 3.3515 |
| | -PLN 33.5340 |
| PL before cost | $3,228.96 |
| PL after cost | $3,184.50 |
| PL conversion | = (3,184 x 3.3515) - (3,184 x 3.35245) |

| | |
|---|---|
| | -PLN 3.0253 |
| Total cost | = - 33.534 - 82.0244 - 33.534 - 3.0253 |
| | -PLN 146.0672 |
| Investment size (deal size) | PLN 44,761.07 |
| Return of investment before cost (%) | 24.177% |
| Total cost (%) | 0.326% |
| Return of investment after cost (%) | 23.851% |

All P/L and Overnight Financing amounts that are quoted in a currency which differs from the account's currency, are converted to the account currency according to the market rates and the market spread.

If your account is in a currency other than the quote currency, the P/L and Overnight Financing will be converted to the account currency. Positive amounts (credit) are converted according to the Buy (Ask) rate and Negative amounts (debit) are converted according to the Sell (Bid). As the spread is a cost, it is considered as a negative amount and therefore will be converted according to the Sell rate. In our example, WTI Oil is quoted in U.S. Dollars, so assuming that your account is in EUR, any negative amount will be converted as per the EUR/USD Sell (Bid) rate, while any positive amount will be converted as per the EUR/USD Buy (Ask) rate.

## D. INDEX CFDs

### a) Applicable cost and charges

*Spread*

A spread is the difference between the Sell ("Bid") price and the Buy ("Ask") price of an asset and is considered as the cost for opening a trade. The minimum spread per instrument is detailed on iCFD's website but each client may have different spread according to the client's history, volume, activities or certain promotions.

*Overnight Financing*

iCFD applies Overnight Financing for deals that remain open at the end of their underlying asset daily trading session. This Overnight Financing may be subject to credit or debit, calculated on the basis of the quoted currency/ies interest rates, plus a mark-up. The mark-up for index CFD instruments is 2.5%.

If the calculated Overnight Financing percentage is positive, it means that an applicable amount will be added (credited) to the client's account. A negative Overnight Financing percentage means that an applicable amount will be subtracted (debited) from the client's account. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the then prevailing exchange rates.

*Formulae*

1. Formula for Index CFD Overnight Financing =
   For Buy (Long Positions): **∑ (- ((3M mid interest rate + interest fee)/360)) x Deal Amount x Average Rate During Overnight Financing**
   For Sell (Short Positions): **∑ ((3M mid interest rate - interest fee)/360) x Deal Amount x Average Rate During Overnight Financing**
2. As Overnight Financing calculation is based on daily variables such as the Closing Rate and the 3M mid Interest Rate, every run can get different values. As a result, to calculate all the Overnight Financing for a specific position, it is required to sum (i.e. the Sigma) all the Overnight Financing daily occurrences of the position.
3. Formula for **3M mid interest rate = (3M Bid + 3M Ask) / 2**
   3M Bid = 3 months interbank bid rate (deposit rate)

   3M Ask = 3 months interbank ask rate (lending rate)

4. **Interest fee** = mark-up of the interest rate. For index CFD's it's 2.5%
5. **Deal Amount** = expressed in the base asset units
6. **Average Rate During Overnight Financing** = the last known rate if you were to close your deal when the Overnight Financing occurred

If the calculated Overnight Financing is positive, it means that an applicable amount will be added (credited) to the client's account. It will reduce the total cost of the deal. A negative Overnight Financing means that an applicable amount will be subtracted (debited) from the client's account, thus increasing the total cost of the deal. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the prevailing exchange rates.

CFD which is traded 5 days a week will be credited or debited with a value 3 times the displayed Overnight Financing value during the last day of its underlying asset trading week.

*Contract Rollover*

While Future Contracts have Expiration Dates, CFDs that are based on Future Contracts have Rollover Dates, which ensure the continuity of the deal instead of closing it. Upon reaching the rollover date, all open deals of the relevant CFDs will be rolled-over to the next contract, so that the deal remain open while tracking the new future contract. Upon effectuating such rollover, the position's open P/L will be adjusted according to the price difference between the expired and new contract prices thus keeping the open P/L unchanged. This action is like closing the deal on the last price of the old future contract and reopening it with the first price of the new future contract, thus additional spread is charged in the process.

Information in regards to rollover dates can be found in iCFD's website.

b) Index CFDs trading example on Japan 225

For the purpose of the example below we will assume a deal of 100 contracts of Japan 225 and a 8.5 pips spread. One pip of Japan 225 equals to 1 JPY (¥ 1.00). 100 x 8.5 x 1 = - ¥850

The spread is the immediate loss upon opening the deal as it reflects the scenario of closing the deal at that moment. Therefore, immediately after opening the deal, your P/L of that deal will be - ¥850.

**1st scenario**

Assuming that you opened a buy position on a CFD of 100 contracts on Japan 225 on 26/01/2018 02:58 GMT and closed the position on 26/01/2018 14:06 GMT.

The position was opened and closed within the same day.

During this period no rollover or Overnight Financing were executed.

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/JPY) | 136.038 |
| Conversion Spread | 0.02 |
| Instrument | Japan 225 |
| 1 PIP Value | 1 |
| Deal Direction | Buy (i.e. Long) |
| Time Period (number of days the deal was kept open overnight) | 0 |
| Opening Quote - Sell (BID) | 23,593.30 |
| Opening Quote - Buy (ASK) | 23,601.80 |
| Spread (pips) | 8.50 |
| Deal Amount | 100 |
| Average Rate During Overnight Financing | N/A |
| 3M mid interest rate | N/A |
| Indices Interest Fee | 2.50% |
| Overnight Financing | N/A |

| | |
|---|---|
| Overnight Financing Amount | N/A |
| Rate spread | = 100 x 8.5 x 1 |
| | 850 |
| Converted rate spread | = 850/136.018 |
| | -€ 6.2492 |
| Overnight funding | N/A |
| Rollover | N/A |
| PL before cost | ¥14,000 |
| PL after cost | ¥13,150 |
| PL conversion | = (13,150 / 136.058) - (13,150 / 136.038) |
| | -€ 0.0142 |
| Total cost | = -6.2492 - 0.0142 |
| | -€ 6.2634 |
| Investment size (deal size) | € 17,349.42 |
| Return of investment before cost (%) | 0.593% |
| Total cost (%) | 0.036% |
| Return of investment after cost (%) | 0.557% |

**2nd scenario**

Assuming that you opened a buy position on a CFD of 100 contracts of Japan 225 on 15/12/2017 and closed the position on 18/12/2017.

The position was kept open for 3 days (2 nights).

During this period no rollover was executed.

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/JPY) | 132.774 |
| Conversion Spread | 0.02 |
| Instrument | Japan 225 |

| | |
|---|---|
| 1 PIP Value | 1 |
| Deal Direction | Buy (i.e. Long) |
| Time Period (number of days the deal was kept open overnight) | 2 |
| Opening Quote - Sell (BID) | 22,682.80 |
| Opening Quote - Buy (ASK) | 22,691.30 |
| Spread (pips) | 8.50 |
| Deal Amount | 100 |
| Average Rate During Overnight Financing | 23,735 |
| Japanese Yen 3M Bid | -0.32% |
| Japanese Yen 3M Ask | 0.03% |
| 3M mid interest rate | = (-0.32 +0.03)/2 |
| | -0.145% |
| Indices Interest Fee | 2.50% |
| Overnight Financing | = (- ((3M mid interest rate + interest fee)/360)) x Deal Amount x Average Rate During Overnight Financing |
| | ∑ (- ((-0.145% + 25%)/360) x 100 x 23.735) |
| Overnight Financing Amount | -¥155.27 |
| Rate spread | = 100 x 8.5 x 1 |
| | 850 |
| Converted rate spread | = 850/132.754 |
| | -€ 6.4028 |
| Overnight funding | = 2 x 155,27 |
| | -¥310.53 |
| Converted overnight funding | = -310.53 / 132.754 |
| | -€ 2.3392 |

| | |
|---|---|
| Rollover | N/A |
| PL before cost | ¥23,914 |
| PL after cost | ¥22,750 |
| PL conversion | = ( 22,750/ 132.794) - (22,750 / 132,774) |
| | -€ 0.0258 |
| Total cost | = - 6.4028 - 2.3392 - 0.0258 |
| | -€ 8.7678 |
| Investment size (deal size) | € 17,090.17 |
| Return of investment before cost (%) | 1.054% |
| Total cost (%) | 0.051% |
| Return of investment after cost (%) | 1.003% |

**3rd scenario**

Assuming that you opened a buy position on a CFD of 100 contracts of Japan 225 on 20/10/2017 and closed the deal on 10/01/2018.

The position was kept open for 83 days (82 nights).

During this period 1 rollover was executed.

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/JPY) | 134.527 |
| Conversion Spread | 0.02 |
| Instrument | Japan 225 |
| 1 PIP Value | 1 |
| Deal Direction | Buy (i.e. Long) |

| | |
|---|---|
| Time Period (number of days the deal was kept open overnight) | 82 |
| Opening Quote - Sell (BID) | 21,377.80 |
| Opening Quote - Buy (ASK) | 21,386.30 |
| Spread (pips) | 8.50 |
| Deal Amount | 100 |
| Average Rate During Overnight Financing | 24,818 |
| Japanese Yen 3M Bid | -0.19% |
| Japanese Yen 3M Ask | 0.01% |
| 3M mid interest rate | = (-0.19% + 0.01)/2 |
| | -0.090% |
| Indices Interest Fee | 2.50% |
| Overnight Financing | = ∑ (- ((3M mid interest rate + interest fee)/360)) x Deal Amount x Average Rate During Overnight Financing |
| | ∑ (- ((-0.090% + 2.5%)/360) x 100 x 24.818) |
| Overnight Financing Amount | -¥166.14 |
| Rate spread | = 100 x 8.5 x 1 |
| | 850 |
| Converted rate spread | = 850/133.507 |
| | -€ 6.3194 |
| Overnight funding | = 82 x 166,14 |
| | -¥13,623.43 |
| Converted overnight funding | = -13,623.43/134.507 |
| | -€ 101.2842 |

| | |
|---|---|
| Rollover | = 100 x 8.5 x 1 |
| | 850 |
| Converted Rollover | = 850/133.507 |
| | -€ 6.3194 |
| PL before cost | ¥252,029 |
| PL after cost | ¥236,670 |
| PL conversion | = ( 22,750/ 132.794) - (22,750 / 132,774) |
| | -€ 0.2615 |
| Total cost | = - 6.3194 - 101.2842 - 6.3194 - 0.2615 |
| | -€ 114.1844 |
| Investment size (deal size) | € 15,897.40 |
| Return of investment before cost (%) | 11.785% |
| Total cost (%) | 0.718% |
| Return of investment after cost (%) | 11.066% |

All P/L and Overnight Financing amounts that are quoted in a currency which differs from the account's currency, are converted to the account currency according to the market rates and the market spread.

If your account is in a currency other than the quote currency, the P/L and Overnight Financing will be converted to the account currency. Positive amounts (credit) are converted according to the Buy (Ask) rate and Negative amounts (debit) are converted according to the Sell (Bid). As the spread is a cost, it is considered as a negative amount and therefore will be converted according to the Sell rate. In our example, the Japan 225 CFD is quoted in JPY, so assuming that your account is in EUR, any negative amount will be converted as per the EUR/JPY Sell (Bid) rate, while any positive amount will be converted as per the EUR/JPY Buy (Ask) rate.

**E. ETF CFDs**

a) Applicable cost and charges

*Spread*

A spread is the difference between the Sell ("Bid") price and the Buy ("Ask") price of an asset and is considered as the cost for opening a trade. The minimum spread per instrument is detailed on iCFD's website but each client may have different spread according to the client's history, volume, activities or certain promotions.

*Overnight Financing*

iCFD applies Overnight Financing for deals that remain open at the end of their underlying asset's daily trading session. This Overnight Financing may be subject to credit or debit, calculated on the basis of the quoted currency/ies' interest rates for the currencies in which the underlying instrument is traded, plus an interest fee (this is the mark-up). The mark-up for ETF CFD's is 5%.

If the calculated Overnight Financing percentage is positive, it means that an applicable amount will be added (credited) to the client's account. A negative Overnight Financing percentage means that an applicable amount will be subtracted (debited) from the client's account. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the then prevailing exchange rates.

*Formulae*

1. Formula for Shares Overnight Financing =
   For Buy (Long Positions): **∑ (- ((3M mid interest rate + interest fee)/360)) x Deal Amount x Average Rate During Overnight Financing**
   For Sell (Short Positions): **∑ ((3M mid interest rate - interest fee)/360) x Deal Amount x**

2. As Overnight Financing calculation is based on daily variables such as the Closing Rate and the 3M mid Interest Rate, every run can get different values. As a result, to calculate all the Overnight Financing for a specific position, it is required to sum (i.e. the Sigma) all the Overnight Financing daily occurrences of the position.
3. Formula for **3M mid interest rate = (3M Bid + 3M Ask) / 2**
   3M Bid = 3 months interbank bid rate (deposit rate)

   3M Ask = 3 months interbank ask rate (lending rate)

4. **Interest fee** = mark-up of the interest rate. For ETF's it's 5%
5. **Deal Amount** = expressed in the base asset units
6. **Average Rate During Overnight Financing** = the last known rate if you were to close your deal when the Overnight Financing occurred

If the calculated Overnight Financing is positive, it means that an applicable amount will be added (credited) to the client's account. It will reduce the total cost of the deal. A negative Overnight Financing means that an applicable amount will be subtracted (debited) from the client's account, thus increasing the total cost of the deal. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the prevailing exchange rates.

CFD which is traded 5 days a week will be credited or debited with a value 3 times the displayed Overnight Financing value during the last day of its underlying asset trading week.

b) ETFs CFDs trading example on US Energy ETF

For the purpose of the example below we will assume a deal of 30 contracts of US Energy ETF and a 24 pips spread. One pip of a contract on US Energy ETF equals to 1 U.S. cent ($0.01). 30 x (-24) x 0.01 = -$7.2

The spread is the immediate loss upon opening the deal as it reflects the scenario of closing the deal at that moment. Therefore, immediately after opening the deal, your P/L of that deal will be -$7.2.

**1st scenario**

Assuming that you opened a sell position on a CFD of 30 contracts on US Energy ETF on 20/09/2017 18:35 GMT and closed the position on 20/09/2017 18:44 GMT.

The position was opened and closed within the same day.

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/USD) | 1.18795 |
| Conversion Spread | 0.0001 |
| Instrument | US Energy |
| 1 PIP Value | 0.01 |
| Deal Direction | Sell (i.e. Short) |
| Time Period (number of days the deal was kept open overnight) | 30 |
| Opening Quote - Sell (BID) | 66.690 |
| Opening Quote - Buy (ASK) | 66.930 |

| | |
|---|---|
| Spread (pips) | 4 |
| Deal Amount | 30 |
| Average Rate During Overnight Financing | N/A |
| 3M mid interest rate | N/A |
| | N/A |
| Shares Interest Fee | 5.00% |
| Overnight Financing | N/A |
| Overnight Financing Amount | N/A |
| Rate spread | = 0.01 x 30 x 24 |
| | $7.20 |
| Converted rate spread | = -7.2/1.18785 |
| | -€ 6.0614 |
| Overnight funding | N/A |
| | N/A |
| Rollover | N/A |
| PL before cost | -$0.30 |
| PL after cost | -$7.50 |
| PL conversion | = (7.5 / 1.1878) - (7.5 / 1.1879) |
| | -€ 0.0005 |
| Total cost | = - 6.0614 - 0.0005 |
| | -€ 6.0619 |
| Investment size (deal size) | € 1,684.16 |
| Return of investment before cost | -0.015% |
| Total cost | 0.360% |
| Return of investment after cost | -0.375% |

**2nd scenario**

Assuming that you opened a buy position on a CFD of 30 contracts on US Energy ETF on 24/11/2017 and closed the position on 27/11/2017.

The position was kept open for 4 days (3 nights).

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/USD) | 1.19377 |
| Conversion Spread | 0.0001 |
| Instrument | US Energy |
| 1 PIP Value | 0.01 |
| Deal Direction | Buy (i.e. Long) |
| Time Period (number of days the deal was kept open overnight) | 3 |
| Opening Quote - Sell (BID) | 67.880 |
| Opening Quote - Buy (ASK) | 68.120 |
| Spread (pips) | 24 |
| Deal Amount | 30 |
| Average Rate During Overnight Financing | 67.890 |
| US Dollar 3M Bid | 1.42% |
| US Dollar 3M Ask | 1.62% |
| 3M mid interest rate | (1.42% + 1.62%)/2 |
| | 1.52% |
| Shares Interest Fee | 5.00% |
| Overnight Financing | = ∑ (- ((3M mid interest rate + interest fee)/360)) x Deal Amount x Average Rate During Overnight Financing |
| | ∑ (- ((1.52% + 5%)/360) x 30 x 67.89) |
| Overnight Financing Amount | -$0.37 |
| Rate spread | = 0.01 x 30 x 24 |
| | $7.20 |
| Converted rate spread | = -7.2/1.19367 |

| | |
|---|---|
| | -€ 6.0318 |
| Overnight funding | = 3 x 0.37 |
| | -$1.11 |
| Converted overnight funding | =-1.11/1.19367 |
| | -€ 0.9271 |
| Rollover | N/A |
| PL before cost | -$20.19 |
| PL after cost | -$28.50 |
| PL conversion | = (28.5 / 1.19367) - (28.5 / 1.19377) |
| | -€ 0.0020 |
| Total cost | = - 6.0318 - 0.0020 - 0.9271 |
| | -€ 6.9609 |
| Investment size (deal size) | € 1,711.89 |
| Return of investment before cost | -0.988% |
| Total cost | 0.407% |
| Return of investment after cost | -1.395% |

**3rd scenario**

Assuming that you opened a buy position on a CFD of 30 contracts on US Energy ETF on 20/10/2017 and closed the position on 10/01/2018.

The position was kept open for 83 days (82 nights).

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/USD) | 1.1955 |
| Conversion Spread | 0.0001 |
| Instrument | US Energy |
| 1 PIP Value | 0.01 |
| Deal Direction | Buy (i.e. Long) |

| | |
|---|---|
| Time Period (number of days the deal was kept open overnight) | 82 |
| Opening Quote - Sell (BID) | 67.500 |
| Opening Quote - Buy (ASK) | 67.740 |
| Spread (pips) | 24 |
| Deal Amount | 30 |
| Average Rate During Overnight Financing | 75.190 |
| US Dollar 3M Bid | 1.67% |
| US Dollar 3M Ask | 1.87% |
| 3M mid interest rate | (1.67% + 1.87%)/2 |
| | 1.77% |
| Shares Interest Fee | 5.00% |
| Overnight Financing | =∑ (- ((3M mid interest rate + interest fee)/360)) x Deal Amount x Average Rate During Overnight Financing |
| | ∑ (- ((1.77% + 5%)/360) x 30 x 75.19) |
| Overnight Financing Amount | -$0.42 |
| Rate spread | = 0.01 x 30 x 24 |
| | $7.20 |
| Converted rate spread | = -7.2/1.1954 |
| | -€ 6.0231 |
| Overnight funding | = 82 x 0.42 |
| | -$34.78 |
| Converted overnight funding | = -34.78/1.1954 |
| | -€ 29.0983 |

| | |
|---|---|
| Rollover | N/A |
| PL before cost | $267.88 |
| PL after cost | $225.90 |
| PL conversion | = (225.9 / 1.1954) - (225.9.5 / 1.1955) |
| | -€ 0.0158 |
| Total cost | = - 6.0231 - 29.0983 - 0.0158 |
| | -€ 35.1372 |
| Investment size (deal size) | € 1,699.87 |
| Return of investment before cost (%) | 13.181% |
| Total cost (%) | 2.067% |
| Return of investment after cost (%) | 11.114% |

All P/L and Overnight Financing amounts that are quoted in a currency which differs from the account's currency, are converted to the account currency according to the market rates and the market spread.

If your account is in a currency other than the quote currency, the P/L and Overnight Financing will be converted to the account currency. Positive amounts (credit) are converted according to the Buy (Ask) rate and Negative amounts (debit) are converted according to the Sell (Bid). As the spread is a cost, it is considered as a negative amount and therefore will be converted according to the Sell rate. In our example, the US Energy ETF is quoted in USD, so assuming that your account is in EUR, any negative amount will be converted as per the EUR/USD Sell (Bid) rate, while any positive amount will be converted as per the EUR/USD Buy (Ask) rate.

## F. CRYPTOCURRENCY CFDs

### a) Applicable cost and charges

*Spread*

A spread is the difference between the Sell ("Bid") price and the Buy ("Ask") price of an asset and is considered as the cost for opening a trade. The minimum spread per instrument is detailed on iCFD's website but each client may have different spread according to the client's history, volume, activities or certain promotions.

*Overnight Financing*

In addition to the above, iCFD charges Overnight Financing for deals that remain open at the end of their underlying asset daily trading session. This Overnight Financing may be subject to credit or debit, calculated on the basis of the quoted currency/ies interest rates, plus a mark-up. The mark-up for cryptocurrencies can be extremely high due to Cryptocurrencies' extreme market conditions. When opening a new deal, click on 'Tools', then open the 'Instrument Info' tab to view the most updated values.

For the purposes of the example below, we will assume a mark-up of 20%.

If the calculated Overnight Financing percentage is positive, it means that an applicable amount will be added (credited) to the client's account. A negative Overnight Financing percentage means that an applicable amount will be subtracted (debited) from the client's account. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the then prevailing exchange rates.

*Formulae*

1. Formula for Cryptocurrencies Overnight Financing =

   For Buy (Long Positions): $\sum$ (- ((3M mid interest rate + interest fee)/360)) x Deal Amount x Average Rate During Overnight Financing

   For Sell (Short Positions): $\sum$ ((3M mid interest rate - interest fee)/360) x Deal Amount x Average Rate During Overnight Financing

2. As Overnight Financing calculation is based on daily variables such as the Closing Rate and the 3M mid Interest Rate, every run can get different values. As a result, to calculate all the Overnight Financing for a specific position, it is required to sum (i.e. the Sigma) all the Overnight Financing daily occurrences of the position.

3. Formula for 3M mid interest rate = (3M Bid + 3M Ask) / 2

   3M Bid = 3 months interbank bid rate (deposit rate)

   3M Ask = 3 months interbank ask rate (lending rate)

4. Interest fee = mark-up of the interest rate. For cryptocurrencies it's 20%

5. Deal Amount = expressed in the base asset units

6. Average Rate During Overnight Financing = the last known rate if you were to close your deal when the Overnight Financing occurred

If the calculated Overnight Financing is positive, it means that an applicable amount will be added (credited) to the client's account. It will reduce the total cost of the deal. A negative Overnight Financing means that an applicable amount will be subtracted (debited) from the client's account, thus increasing the total cost of the deal. If the CFD's quoted currency differs from the account's currency, it will be converted to the account's currency at the prevailing exchange rates.

CFD which is traded 5 days a week will be credited or debited with a value 3 times the displayed Overnight Financing value during the last day of its underlying asset trading week.

b) Cryptocurrency CFDs trading example on Bitcoin

For the purpose of the examples below we will assume a deal size of 1 Bitcoin and a 100 pips spread. One pip of Bitcoin equals to 1 U.S. dollar ($1.00). 1 x (-100) x 1 = -$100

The spread is the immediate loss upon opening the deal as it reflects the scenario of closing the deal at that moment. Therefore, immediately after opening the deal, your P/L of that deal will be -$100.

**1st scenario**

Assuming that you opened a buy position on a CFD of 1 Bitcoin on 17/01/2018 22:06 GMT and closed the position on 17/01/2018 10:18 GMT.

The Position was opened and closed within the same day.

During this period no Overnight Financing was executed.

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/USD) | 1.21886 |
| Conversion Spread | 0.0001 |
| Instrument | Bitcoin |
| 1 PIP Value | 1 |
| Deal Direction | Buy (i.e. Long) |
| Time Period (number of days the deal was kept open overnight) | 0 |
| Opening Quote - Sell (BID) | 11,407.970 |

| | |
|---|---|
| Opening Quote - Buy (ASK) | 11,507.970 |
| Spread (pips) | 100 |
| Deal Amount | 1 |
| Average Rate During Overnight Financing | N/A |
| US Dollar 3M Bid | N/A |
| US Dollar 3M Ask | N/A |
| 3M mid interest rate | N/A |
| Cryptocurrencies Interest Fee | 20.00% |
| Overnight Financing | N/A |
| Overnight Financing Amount | N/A |
| Rate spread | = 1 x 1 x 100 |
| | $100.00 |
| Converted rate spread | = 100/1.21876 |
| | -€ 82.05 |
| Overnight funding | N/A |
| Rollover | N/A |
| PL before cost | $24.42 |
| PL after cost | $124.42 |
| PL conversion | = (124.42/ 1.21876) - (124.42 / 1.21886) |
| | -€ 0.0084 |
| Total cost | = - 82.05 - 0.0084 |
| | -€ 82.0590 |
| Investment size (deal size) | € 9,441.58 |
| Return of investment before cost (%) | 0.212% |
| Total cost (%) | 0.869% |
| Return of investment after cost (%) | -0.657% |

**2nd scenario**

Assuming that you opened a buy position on a CFD of 1 Bitcoin on 04/12/2017 and closed the position on 07/12/2017.

The position was kept open for 4 days (3 nights).

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/USD) | 1.1771 |
| Conversion Spread | 0.0001 |
| Instrument | Bitcoin |
| 1 PIP Value | 1 |
| Deal Direction | Buy (i.e. Long) |
| Time Period (number of days the deal was kept open overnight) | 3 |
| Opening Quote - Sell (BID) | 11,321.630 |
| Opening Quote - Buy (ASK) | 11,421.630 |
| Spread (pips) | 100 |
| Deal Amount | 1 |
| Average Rate During Overnight Financing | 13,622.250 |
| US Dollar 3M Bid | 1.46% |
| US Dollar 3M Ask | 1.66% |
| 3M mid interest rate | (1.46% + 1.66%)/2 |
| | 1.560% |
| Cryptocurrencies Interest Fee | 20.00% |
| Overnight Financing | =∑ (- ((3M mid interest rate + interest fee)/360)) x Deal Amount x Average Rate During Overnight Financing |
| | =∑ (- ((1.56% + 20%)/360) x 1 x 13622.25) |

| | |
|---|---|
| Overnight Financing Amount | -$8.16 |
| Rate spread | = 1 x 1 x 100 |
| | $100.00 |
| Converted rate spread | = -100/1.1761 |
| | -€ 84.9618 |
| Overnight funding | = 3 x 8.16 |
| | -$24.47 |
| Converted overnight funding | = -24.47/1.1770 |
| | -€ 20.7941 |
| Rollover | N/A |
| PL before cost | $2,916.80 |
| PL after cost | $2,992.33 |
| PL conversion | = (2992.33/ 1.1761) - (2992.33 / 1.1771) |
| | -€ 0.2159 |
| Total cost | = - 84.9618 - 20,7941 - 0.2159 |
| | € 105.9718 |
| Investment size (deal size) | € 9,703.19 |
| Return of investment before cost (%) | 25.535% |
| Total cost (%) | 1.092% |
| Return of investment after cost (%) | 24.443% |

**3rd scenario**

Assuming that you opened a buy position of a CFD on Bitcoin 02/11/2017 and closed the position on 26/01/2018.

The Position was kept open for 86 days (85 nights).

| | |
|---|---|
| Account Currency | EUR |
| Conversion Rate (EUR/USD) | 1.24568 |

| | |
|---|---|
| Conversion Spread | 0.0001 |
| Instrument | Bitcoin |
| 1 PIP Value | 1 |
| Deal Direction | Buy(i.e. Long) |
| Time Period (number of days the deal was kept open overnight) | 85 |
| Opening Quote - Sell (BID) | 6,968.220 |
| Opening Quote - Buy (ASK) | 7,068.220 |
| Spread (pips) | 100 |
| Deal Amount | 1 |
| Average Rate During Overnight Financing | 11,147.775 |
| US Dollar 3M Bid | 1.81% |
| US Dollar 3M Ask | 1.99% |
| 3M mid interest rate | = (1.81% + 1.99)/2 |
| | 1.900% |
| Cryptocurrencies Interest Fee | 20.00% |
| Overnight Financing | =∑ (- ((3M mid interest rate + interest fee)/360)) x Deal Amount x Average Rate During Overnight Financing |
| | =∑ (- ((1.9% + 20%)/360) x 1 x 11147.775) |
| Overnight Financing Amount | -$6.78 |
| Rate spread (%) | = 1 x 1 x 100 |
| | $100.00 |
| Converted rate spread (%) | = -100/1.24558 |
| | -€ 80.2839 |

| | |
|---|---|
| Overnight funding | = 85 x 6.78 |
| | -$576.43 |
| Converted overnight funding | = -576.43/1.24558 |
| | -€ 462.7827 |
| Rollover | N/A |
| PL before cost | $3,872.60 |
| PL after cost | $3,196.17 |
| PL conversion | = (3,196.17/1.24578) - (3,196.17/ 1.24568) |
| | -€ 0.2060 |
| Total cost | = - 80.2839 - 462.7827 - 0.2060 |
| | -€ 543.2725 |
| Investment size (deal size) | € 5,674.1860 |
| Return of investment before cost (%) | 54.785% |
| Total cost (%) | 9.574% |
| Return of investment after cost (%) | 45.210% |

All P/L and Overnight Financing amounts that are quoted in a currency which differs from the account's currency, are converted to the account currency according to the market rates and the market spread.

If your account is in a currency other than the quote currency, the P/L and Overnight Financing will be converted to the account currency. Positive amounts (credit) are converted according to the Buy (Ask) rate and Negative amounts (debit) are converted according to the Sell (Bid). As the spread is a cost, it is considered as a negative amount and therefore will be converted according to the Sell rate. In our example, Bitcoin CFD is quoted in USD, so assuming that your account is in EUR, any negative amount will be converted as per the EUR/USD Sell (Bid) rate, while any positive amount will be converted as per the EUR/USD Buy (Ask) rate.