

Share CFDs Margin

	Initial Margin	Maintenance Margin
Share CFDs	1.25 x Maintenance Margin	Risk-based calculation described below (minimum 10%)

Maintenance and Initial Margin Requirements for Share CFDs

We establish a risk-based margin for each CFD individually, based on the observed historical volatility of the underlying share. Specifically, we calculate five historical standard deviations to determine the standard maintenance margin, subject to a minimum margin of 10% (without correlation-based off-sets). The resultant margin rates apply position by position. In the majority of cases the minimum margin of 10% is applied.

In certain cases Caucasus Capital may, at its discretion, establish special margin rates for individual CFDs that are higher than those indicated by our standard methodology.

The following house charges may apply in addition to standard margins:

- Large Position Charge - If a position is greater than the equivalent of 0.5% of the market capitalization of a share, a large position charge applies. The required margin grows linearly from the risk-based margin to 100% when the share of market capitalization grows from 0.5% to 2%.
- Short Cheap Stock Charge - A short cheap stock charge is applied for short CFDs on shares with market capitalizations below \$500 million. The required margin grows linearly from 30% to 100% as the market capitalization decreases from \$500 to \$250 million. For market capitalizations between \$250 and \$100 million, the required margin is 100%, subject to a minimum of \$2.50.