



Margin Risk Disclosure Statement

融資風險聲明

We are furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the margin agreement provided by your broker. Consult us at service@firsttrade.com regarding any questions or concerns you may have with your margin accounts.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from our clearing firm, Apex Clearing Corporation (“Apex”). If you choose to borrow funds from Apex, you will open a margin account. The securities purchased are the firm’s collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and as a result, we or Apex can take action, such as issue a margin call and/or sell securities in your account, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- **You can lose more funds than you deposit in the margin account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to the firm that has made the loan to avoid forced sale of those securities or other securities in your account.
- **The firm can force the sale of securities in your account.** If the equity in your account falls below the maintenance margin requirements under the law, or the firm’s higher house requirements, the firm can sell the securities in your account to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.
- **The firm can sell your securities without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interest, including immediately selling the securities without notice to the customer.
- **You are not entitled to choose which security in your margin account is liquidated or sold to meet a margin call.** Because the securities are collateral for the margin loan, the firm has the right to decide which security to sell in order to protect its interests.
- **The firm can increase its house maintenance margin requirement at any time and is not required to provide you advance written notice.** These changes in firm policy often take effect

immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the member to liquidate or sell securities in your account.

- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.
- **The IRS requires Broker Dealers to treat dividend payments on loaned securities positions as a substitute payment in lieu of a dividend.** A substitute payment is not, a qualified dividend and is taxed as ordinary income.
- **Industry regulations may limit, in whole or in part, your ability to exercise voting rights of securities that have been lent or pledged to others.** You may receive proxy materials indicating voting rights for a fewer number of shares than are in your account, or you may not receive any proxy materials.

CREDIT TERMS & POLICIES

The following Disclosure of Credit Terms and Policies is required by the Securities and Exchange Commission and is part of your Customer Account Agreement. It describes the terms under which Apex extends credit and charges interest and how your obligations are secured by property in your Account.

Interest Charges. Apex will charge interest on a daily basis on the credit it extends to you. The rate of interest charged by Apex is set by us and can be found at <https://www.firsttrade.com/content/en-us/pricing/marginrate>. The daily interest charges are calculated by multiplying your "daily adjusted debit balance" by the "daily margin interest rate." Generally speaking, your daily adjusted debit balance is the actual settled debit balance in your Margin and Short Account, increased by the value of securities held short and reduced by the amount of any settled credit balance carried in your Cash Account.

Your daily-adjusted debit balance is calculated each day by adjusting your previous day's balance by any debits and credits to your account and by changes in the value of short positions. If your daily-adjusted debit balance is reduced because you deposit a check or other item that is later returned to us unpaid, your account may be adjusted to reflect interest charges you have incurred.

Apex reserves the right to charge interest on debit balances in the Cash Account. Periodically, we or Apex will send you a comprehensive statement showing the activity in your account, including applicable interest charges, interest rates and adjusted daily debit balances.

Please read clearing firm, **Apex Clearing Corporation's Margin Disclosure Statement** for additional margin information and credit terms & policies.

融資風險聲明

我們向您提供此文件，以提供有關以融資購買證券的基本指引，並提醒您在融資賬戶中交易證券所涉及的風險。在融資賬戶中交易股票之前，您應該仔細閱讀投資公司提供給您的融資賬戶合約。如果您對融資賬戶有任何疑問或疑慮，請通過 service@firsttrade.com 與我們聯繫。

購買證券時，您可以全額支付證券，也可以向我們的清算公司 Apex Clearing Corporation (“Apex”) 借入部分購買價格。如果您選擇從 Apex 融資，您將開設一個融資賬戶。購買的證券是公司向您提供貸款的抵押品。如果您賬戶中的證券價值下降，則支持您貸款的抵押品的價值也會下降，因此，我們或 Apex 可以採取行動，例如發出融資補繳(追加保證金)通知和/或出售您賬戶中的證券，以便維持賬戶中所需的資產。

您必須了解使用融資賬戶交易的風險。其風險包括：

- **您可能損失比您存入金額更大的資金。** 使用融資購買的證券價值下跌，可能要求您提供額外資金到貸款給您的投資公司，從而避免強制賣出您賬戶中的證券。
- **該公司可以強制賣出您賬戶中的證券。** 如果您賬戶中的資金低於法律要求的融資底線，或投資公司指定的底線，該公司有權強制賣出您賬戶中的證券以補足保證金。您仍需要負責在賣出證券後剩餘的欠款。
- **該公司有權賣出您的證券，並無需聯繫您。** 部分投資人誤以為投資公司必須聯繫他們從而確定保證金的補繳，而且不能在成功取得聯繫並確認前清算賬戶中的證券。這是不正確的。大部分投資公司會嘗試聯繫客戶追繳保證金，但這並不是必須做的。儘管投資公司已經聯係上客戶並為其提供不交保證金的限期，出於對該公司的風險保護，該公司仍可採取必要行動，包括在沒有通知的前提下賣出證券。
- **您無權選擇為了補足保證金而清算或賣出的融資賬戶中的證券。** 由於通過融資貸款買入的證券屬於抵押品，投資公司有權選擇出售的證券，從而保障該公司權益。
- **投資公司可以在任何時候提高“公司內部”融資要求，而且不需要提前書面通知。** 這種公司政策的改變通常是馬上生效的，並且可能導致保證金追繳的產生。不能按要求補足保證金可能導致該公司清算或賣出您賬戶中的證券。
- **您無權自行延長保證金追繳寬限期。** 儘管在特定情況下，客戶可以延長保證金追繳寬限期，但客戶無權自行調整寬限期。

- 美國國稅局要求經紀交易商將藉出證券的股息支付作為替代支付來代替股息。 替代付款不是合格股息，並作為普通收入納稅。
- 行業法規可能全部或部分限制您對已借出或抵押給他人的證券行使投票權的能力。 您可以收到代理資料，表明您的賬戶數量少於您賬戶中的投票權，或者您可能不會收到任何代理材料。

信貸條款和政策

證券交易委員會要求以下信貸條款和政策的披露，這是您的客戶賬戶協議的一部分。它描述了交割公司, Apex Clearing Corporation 擴展信貸和收取利息的條款，以及如何通過您賬戶中的財產擔保您的義務。

利息費用。 Apex會每天根據您的信用額收取利息。 Apex收取的利率由我們設定，可以在 <https://www.firsttrade.com/content/zh-tw/pricing/marginrate> 中找到。每日利息費用是通過將“每日調整後的借方餘額”乘以“每日保證金利率”來計算的。一般來說，每日調整後的借方餘額是保證金和短期賬戶中的實際已結算借方餘額，增加了所持有的空頭證券的價值，而減少了您現金賬戶中所攜帶的任何已結算貸方餘額的數量。

每天調整後的借方餘額是通過調整前一天的餘額，借記到您賬戶的任何借方和貸方以及空頭頭寸的價值變化來計算的。如果由於您存入了支票或其他未付款項而導致日調整後的借方餘額減少，但後來又退還給我們，則您的賬戶可能會進行調整以反映您產生的利息費用。

Apex保留對現金賬戶中的借方餘額收取利息的權利。我們或Apex會定期向您發送一份綜合報表，顯示您賬戶中的活動，包括適用的利息費用，利率和調整後的每日借方餘額。

請閱讀交割公司, Apex Clearing Corporation的融資免責聲明了解額外的融資信息以及信用條款和政策。



DISCLOSURE
MARGIN RISK DISCLOSURE STATEMENT

❖ FINRA Rule 2264

Apex Clearing Corporation ("Apex" or the "Firm") is furnishing this document to provide you with certain facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading in a margin account, you should carefully review the margin agreement provided by your broker. Consult your broker regarding any questions or concerns you may have with your margin accounts. When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your brokerage firm. If you choose to borrow funds from your firm, you will open a margin account with the firm. The securities purchased are the firm's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and as a result, the firm can take action, such as issue a margin call and/or sell securities in your account, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- **You can lose more funds than you deposit in the margin account**
A decline in the value of securities that are purchased on margin may require you to provide additional funds to the firm that has made the loan to avoid the forced sale of those securities or other securities in your account.
- **The firm can force the sale of securities in your account**
If the equity in your account falls below the maintenance margin requirements under the law or the firm's higher "house" requirements, the firm can sell the securities in your account to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.
- **The firm can sell your securities without contacting you**
Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interest, including immediately selling securities without notice to the customer.



- **You are not entitled to choose which security in your margin account is liquidated or sold to meet a margin call**
Because the securities are collateral for the margin loan, the firm has the right to decide which security to sell in order to protect its interests.
- **The firm can increase its “house” maintenance margin requirement at any time and is not required to provide you advance written notice**
These changes in firm policy typically take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the firm to liquidate or sell securities in your account.
- **You are not entitled to an extension of time on a margin call**
While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.
- **The IRS requires Broker Dealers to treat dividend payments on loaned securities positions as a “substitute payment” in lieu of a dividend**
A substitute payment is not, a “qualified dividend” and is taxed as ordinary income.
- **Industry regulations may limit, in whole or in part, your ability to exercise voting rights of securities that have been lent or pledged to others**
You may receive proxy materials indicating voting rights for a fewer number of shares than are in your account, or you may not receive any proxy materials.

APEX CREDIT TERMS AND POLICIES

The following Disclosure of Credit Terms and Policies is required by the Securities and Exchange Commission and is part of your Apex Account - Customer Account Agreement. It describes the terms under which Apex extends credit and charges interest and how your obligations are secured by property in your Account.

Interest Charges

Apex will charge interest on a daily basis on the credit extended to you. The daily interest charges are calculated by multiplying your "daily adjusted debit balance" by the "daily margin interest rate." Generally speaking, your daily adjusted debit balance is the actual settled debit balance in your Margin and Short Account. The debit balance is increased by the value of securities held short and reduced by the amount of any settled credit balance carried in your Cash Account.



Apex calculates your daily-adjusted debit balance each day by adjusting your previous day's balance by any debits and credits to your account including changes in the value of short positions. For example, if you deposit a check your account is credited by that amount. Please note, if your daily-adjusted debit balance is reduced because you deposit a check or other item that is later returned to Apex unpaid, Apex may adjust your account to reflect interest charges you have incurred.

Apex reserves the right to charge interest on debit balances in the Cash Account. Periodically, Apex will send you a comprehensive statement showing the activity in your account, including applicable interest charges, interest rates and adjusted daily debit balances

Daily Margin Interest Rate

The "daily margin interest rate" is based on a 360-day year. It is calculated for each day by multiplying the settled margin debit by the applicable margin interest rate and then dividing the total by 360. Note that the use of a 360-day year results in a higher effective rate of interest than if a year of 365 days were used.

Apex sets a "Base Rate" at its discretion with reference to commercially recognized interest rates, industry conditions relating to the extension of margin credit and general credit market conditions. The Base Rate for each currency will be set with reference to commercially recognized interest rates, industry conditions relating to the extension of credit, and general credit market conditions. For the current Base Rate, please contact your Introducing Broker.

Information on Debit interest rates that apply specifically to your account may be acquired from your Introducing Broker.

Your margin interest rate may be adjusted automatically and without notice to reflect any change in the Base Rate. If your interest rate increases for any reason other than a change in the Base Rate. Apex or your Introducing Broker will give you written notice at least 30 days prior to that change.

Compounding Interest Charges

Apex compounds interest on a daily basis. Interest charges will accrue to your account each day. Apex will include the charges in the next day's opening debit balance and charge interest accordingly. The interest rates described above do not reflect compounding of unpaid interest charges; the effective interest rate, taking into effect such compounding, will be higher.

Initial Margin Requirements

The Federal Reserve Board and various stock exchanges determine margin loan rules and regulations.

When you purchase securities on margin, you agree to deposit the required initial equity by the settlement date and to maintain your equity at the required levels. The maximum amount Apex Clearing currently



may loan for common stock (equity) securities is 50% of the value of marginable securities purchased in your Margin and Short Account; different requirements apply to nonequity securities, such as bonds or options. If the market value of stock held as collateral increases after you have met the initial margin requirements, your available credit may increase proportionately. Conversely, if the market value decreases, your available credit may proportionately decrease.

Initial margin requirements may change without prior notice. Apex may impose anytime and without prior notice more stringent requirements on positions that in our sole discretion involve higher levels of risk; for example, higher limits may apply for thinly traded, speculative or volatile securities, or concentrated positions of securities.

You may purchase only certain securities on margin or use them as collateral in your Margin and Short Account. Most stocks traded on national securities exchanges, and some over-the-counter (OTC) securities are marginable. At our discretion, Apex reserves the right not to extend credit on any security.

Equity securities with a market value of less than \$3 per share may not be purchased on margin or deposited as margin collateral. If the market value of a security drops below \$3.00 per share, the security will not be assigned any value as collateral to secure your margin obligations.

Margin Maintenance Requirements

You must maintain a minimum amount of equity in your account to collateralize your outstanding loans and other obligations. Margin maintenance requirements are set:

- By the rules and regulations of the New York Stock Exchange, the American Stock Exchange, and other regulatory agencies to the jurisdiction of which Apex are subject; and
- According to our sole discretion and judgment

You agree to maintain in your Margin and Short Account collateral of the type and amount required by:

- Applicable exchange rules and federal regulations
- Our Disclosure of Credit Terms and Policies; **or**
- As required by Apex , at Apex's discretion

Margin maintenance requirements may change without prior notice.

Apex may issue a "margin call" (that is, a notification to deposit additional collateral) if your account equity falls below the margin maintenance requirement. This can happen for various reasons. The most common reasons are a decrease in the value of long securities held as collateral or an increase in the value of securities held short.



As a general guideline and when it is practicable to do so, Apex may (but is not required to) issue a margin call when the equity in your Margin and Short Account falls below a predetermined percentage of the market value of assets at risk (that is, the sum of the market values of the long and short equity security positions) in your Margin and Short Account. The amount of additional collateral Apex requires usually is an amount sufficient to raise your equity to minimum standards. For information on the current equity requirements, please contact Apex.

Apex retains absolute discretion to determine whether, when and in what amounts Apex will require additional collateral. In some situations, Apex may find it necessary to require a higher level of equity in your account. For example, Apex may require additional collateral if an account contains:

- Only one security or a large concentration of one or more securities; or
- Low-priced, thinly traded, or volatile securities; or if
- Some of your collateral is or becomes restricted or non-negotiable or non-marginable

Apex also may consider market conditions and your financial resources.