

TD Ameritrade Singapore Pte. Ltd.

**There is a US\$25,000 minimum equity requirement for “pattern day traders.” A day trade is defined as the purchase and sale of the same security on the same day.** Under these rules, if a client’s margin account falls under US\$25,000 and the client has day-traded three times within five days, the client will not be allowed to open new positions until the US\$25,000 requirement is restored, or the five days has elapsed.

You should consider the following points before engaging in a day-trading strategy. For purposes of this notice, a “day-trading strategy” means an overall trading strategy characterised by the regular transmission by a client of intra-day orders to effect both purchase and sale transactions in the same security or securities.

Day trading can be extremely risky. Day trading, generally, is not appropriate for someone of limited resources and limited investment or trading experience and low risk tolerance. You should be prepared to lose all of the funds that you use for day trading. In particular, you should not fund day-trading activities with retirement savings, student loans, second mortgages, emergency funds, funds set aside for purposes such as education or home ownership, or funds required to meet your living expenses. Further, certain evidence indicates that an investment of less than US\$50,000 will significantly impair the ability of a day trader to make profit. Of course, an investment of US\$50,000 or more will in no way guarantee success.

Be cautious of claims of large profits from day trading. You should be wary of advertisements or other statements that emphasise the potential for large profits in day trading. Day trading can also lead to large and immediate financial losses.

Day trading requires knowledge of securities markets. Day trading requires in-depth knowledge of the securities markets and trading techniques and strategies. In attempting to profit through day trading, you must compete with professional, licensed traders employed by securities firms. You should have appropriate experience before engaging in day trading.

Day trading requires knowledge of a firm’s operations. You should be familiar with a securities firm’s business practices, including the operation of the firm’s order execution systems and procedures. Under certain market conditions, you may find it difficult or impossible to liquidate a position quickly at a reasonable price. This can occur, for example, when the market for a stock suddenly drops, or if trading is halted due to recent news events or unusual trading activity. The more volatile a stock is, the greater the likelihood that problems may be encountered in executing a transaction. In addition to normal market risks, you may experience losses due to system failures.

Day trading will generate substantial commissions, even if the per trade cost is low. Day trading involves aggressive trading, and generally you will pay commissions on each trade. The total daily commissions that you pay on your trades will add to your losses or significantly reduce your earnings. For instance, assuming that a trade costs US\$16 and an average of 19 transactions are conducted per day, times five (5) trading days per week, times 50 weeks per year, an investor would need to generate an annual profit of US\$76,000 just to cover commission expenses.

Day trading on margin or short selling may result in losses beyond your initial investment. When you day trade with funds borrowed from a firm or someone else, you can lose more than the funds you originally placed at risk. A decline in the value of the securities that are purchased may require you to provide additional funds to the firm to avoid the forced sale of those securities or other securities in your account. Short selling as part of your day-trading strategy also may lead to extraordinary losses, because you may have to purchase a stock at a very high price in order to cover a short position.

Potential Licencing Requirements. Persons providing investment advice for others or managing securities accounts for others need to obtain either a CMS licence or an FAA licence from the MAS.

TD Ameritrade Singapore Pte. Ltd. adheres to all Day Trading Rules published by the exchanges and Self Regulatory Organizations in the United States of America. You must consult the TD Ameritrade Singapore Pte. Ltd. website [www.tdameritrade.com.sg](http://www.tdameritrade.com.sg) for details regarding current Day Trading Rules.

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