KEY INFORMATION DOCUMENT - CFD STOCK & INDICES

PURPOSE

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, costs, risks and rewards of this product and to help you compare it with other products.

PRODUCT

CFDs are provided by London Stone Securities via platform provider ETX Capital. ETX Capital, a trading name of Monecor (London) Limited (company number 00851820). ETX Capital is authorized and regulated by the Financial Conduct Authority in the United Kingdom, register number 124721.

For more information please call 0203 697 1700. This Key Information Document was published on 10th January 2019.

ALERT

You are about to purchase a product that is not simple and may be difficult to understand.

WHAT IS THIS PRODUCT?

This is a 'Contract for Difference' ("CFD"). It allows you an indirect (also described as "synthetic") exposure to an underlying product or financial instrument (for example, to a security, commodity or index). You will have no direct interest in the underlying product/financial instrument.

Accordingly, you can make gains or suffer losses as a result of price or value movements in relation to the underlying product or financial instrument to which you have the indirect exposure.

OBJECTIVES

The objective of trading a CFD is to gain exposure to movements related to a financial product, benchmark or instrument without owning it. Your return depends on the size of the performance (or movement) of the underlying instrument and the size of your position.

For example, if you believe the value of a Stock is going to increase, you would buy a number of CFDs ("going long"), with the intention to later sell them when they are at a higher value. The difference between the buy price and your subsequent sell price would equate to your profit, minus any relevant costs. If you think the value of an index is going to decrease, you would sell a number of CFDs ("going short") at a specific value, expecting to later buy them back at a lower value than you previously agreed to sell them for, resulting in the provider paying you the difference, minus any relevant costs.

However, if the underlying instrument moves in the opposite direction, and your position is closed, you would owe the provider for the amount of loss you have incurred (together with any costs).

This product is commonly traded on margin. Margin refers to the use of a small amount of capital to support an investment of a larger exposure. Please note that margin trading requires extra caution, because whilst you can realise large profits if the price moves in your favour, you risk extensive losses if the price moves against you.

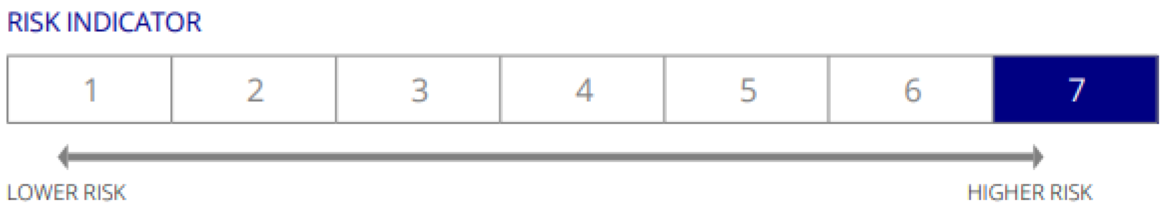
For more information about margin trading please call 0203 697 1700.

INTENDED RETAIL INVESTOR

Trading in this product will not be appropriate for everyone. The product would most commonly be utilised by persons who want to generally gain short term exposures to financial instruments/markets; are using (trading with) money which they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; and understand the impact of and risks associated with margin trading.

RISKS - What are the risks and what could I get in return?

We have classified this as the highest risk class.



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level.

Be aware of currency risk. You may receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

In some circumstances you may be required to make further payments to pay for losses. Trading risks are magnified by leverage – the total loss you may incur may significantly exceed the amount invested. Values may fluctuate significantly in times of high volatility or market/economic uncertainty; such swings are even more significant if your positions are leveraged and may also adversely affect your position. As a result, Margin calls may be made quickly or frequently, and in the event of default, your positions may be closed out. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you.

PERFORMANCE SCENARIOS

There are several types of trading risk, including leverage risk, which you should be aware of before beginning to trade. Factors that affect the performance of this product are detailed below, but not limited to;

The scenarios shown illustrate how your investment could perform but are not an exact indicator. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies. What you get will vary depending on how the market performs and how long you hold the CFD.

The following assumptions have been used to create the scenarios in Table 1:

Leverage risk	Unregulated market risk
Risk of unlimited loss	Market disruption risk
Margin risk	Counterparty risk
Foreign exchange risk	Online trading platform and IT risk
Market risk	Conflicts of interest

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The following assumptions have been used to create the scenarios in Table 1:

For example, if an investor buys 10,000 Shares of Barclays CFD with an underlying equity price of 205p and an initial margin amount of 20%; the initial investment will be £4100 ((205p x 10,000)/100 x 20%), when using the price in pence the equation would be ((P x TS)/100 x M). It has a notional value of the contract of £20,500 ((205p x 10,000)/100). This means for every 1p change in the market price the underlying value of the position changes by £100. If the investor is long and the market increases in value, a £100 profit is made for every 1-point increase in the market. If the market decreases in value, a point decrease in value in the market will lead to a £100 loss.

Equity CFD (held intraday)		
Equity opening price	P	205p
Trade size (per CFD)	TS	10,000
Margin %	M	20%
Margin Requirement (£)	MR = ((P x TS) x M	4,100
Notional balue of the trade (£)	TN = (P x TS)	20,500

LONG			
Performance Scenario	Closing Price	Price Change	Profit/Loss (minus 0.5% commission per side)
Favourable	208.075	1.50%	£307.50
Moderate	206.025	0.50%	£102.50
Unfavourable	201.925	-1.50%	-£307.50
Stress	194.75	-5.00%	-£1,025.00

SHORT			
Performance Scenario	Closing Price	Price Change	Profit/Loss (minus 0.5% commission per side)
Favourable	201.925	-1.50%	£307.50
Moderate	206.025	-0.50%	£102.50
Unfavourable	208.075	1.50%	-£307.50
Stress	215.25	5.00%	-£1,025.00

The figures shown an example of a trade include all the costs of the product itself, the above example does not include commission, which is 0.5% in and 0.5% out.

What are the costs?

Trading a CFD on an equity/index incurs the following costs:

One-off entry and exit costs	Spread	There is no mark up on the market spread. The spread cost is the difference between the buy and the sell price. This cost is realized every time you open and close a trade. As spreads variable the size of the spread can be different when opening and closing a trade.
	Currency conversion	A currency conversion spread will be charged each time for converting any realized profit or losses and/or other fees that are denominated in a different currency to the currency in which your account is denominated.
	Commission	This commission is charged every time you open and close a trade
Ongoing costs	Overnight Financing	If you hold a long or a short position open after the market close, you will be subject to an Overnight Financing charge. This means the longer you hold a position, the more it costs.
	Borrowing costs (Short position only)	If you hold a short CFD Single Stock positions overnight, you may be subject to a borrowing cost. The cost is dependent on the liquidity of the Stocks and may be zero (0) for high liquidity
Incidental costs	Distributor fee	We may from time to time where permitted by applicable law share a proportion of the spread, commissions and other account fees on at cost from our platform provider.

How long should I hold it, and can I take money out early?

CFDs are intended for short term trading, in some cases intraday and are generally not suitable for longer term investment. There is no recommended holding period, no cancellation period and therefore no cancellation fees. You can open and close a CFD on an equity and on indices at any time during market hours.

How can I complain?

If you wish to make a complaint, you should contact our Compliance Team on 0203 697 1700, by emailing compliance@londonstonesecurities.co.uk or in writing to London Stone Securities Ltd, 18 King William Street, London, EC4N 7BP.

If you do not feel that your complaint has been resolved satisfactorily, you may refer your complaint to the Financial Ombudsman Service (FOS). See www.financial-ombudsman.org.uk for further information.