Key Information Document

This document provides you with key information about the Company's investment products. It is not a marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of these products and to help you compare it with other products.

Contracts for Difference ("CFDs")
Leverate Financial Services Limited (License No. 160/11)
www.lfsbusiness.com Email: compliance@leverate.com for more information.
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Risk Warnings Associated:

You are about to purchase a product considered to be very complex and may be difficult to understand, thus may not be appropriate for all retail investors

This complex financial product:	May lead to the sudden total loss of capital invested;
May provide zero return;	This is subject to any potential conflict of interests in the calculation agent's performance with the Company.
Is subject to the credit risk of the issuer – The Company	Implies the incurring of costs, fees or charges;
Is not tantamount to the acquisition or initial transaction of underlying assets;	The investor position may be closed at any time by the Company in certain situations;

What is this product?

- CFDs are tradable instruments which represent a contract between two parties to exchange the difference between the current price of an underlying asset and its price on the day the contract expires. CFDs are leveraged products, enabling investor to make transaction with only a small margin (deposit).
- CFDs, therefore, relate to underlying asset classed and financial instruments.
- The underlying asset/financial instrument, which the contract is based on, is never actually owed by You. The profit or loss is determined by the difference between the buying and the selling price of a CFD.
- CFDs are traded Over the Counter ("OTC") and with leverage. Leverage can magnify both Your potential profits and losses.

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

Risk Indicator

1	2	3	4	5	6	7

Lower risk **Higher risk**

- **Market Risk:** Investing in CFDs carries the risk resulting from fluctuations (appreciation/ depreciation) of the value of an asset or a group of assets (such as fluctuating exchange rates, interest rates, prices or commodity prices) affecting the value of the CFD offered by the Company.
- **Capital Risk:** Investing in CFDs incurs the risk of the amount that the investor is to receive proves to be lower than the invested capital. The Company offers Negative Balance Protection; therefore, an investor will not lose more than the initial amount invested.
- **Credit Risk:** Investing in CFDs is an OTC transaction, so investors are exposed to the risk that the Company may be unable to meet its obligations in full and/or in a timely manner in the event of bankruptcy or insolvency.
- **Interest Rate Risk:** Investing in CFDs carries the risk resulting from adverse movements in interest rates, as these movements affect the investor when considering the swap rates related to open positions held overnight.
- **Foreign Exchange Risk:** Investing in CFDs, as with any financial instrument, involves exposure to currency risk because it is denominated in a particular currency and its appreciation or depreciation can affect the value of CFDs resulting in the significant or total loss, of the capital invested

- **Liquidity Risk:** Investing in CFDs may result in a lack of available liquidity in the market to execute an order resulting in an investor being delayed or unable to close a position at a desired price and/ or time and potentially leading to a significant or total loss of the capital invested.
- **Risk of Conflicts of Interest:** Investing in CFDs may result in the risk of conflicts of interest, particularly because the Company and the execution venue might be the same in all or some transactions and also the party responsible for providing investors with the end-pricing on CFDs taking into account discretionary values including mark-ups, which may influence an investor's open position(s).
- **Legal and Fiscal Risk:** Investing in CFDs may be subject to legal, regulatory and taxation rules consequently impacting the profitability of the CFD and/or position(s) of an investor in instances, for example, where there is an amendment to the law, including taxation and other applicable rules with implications for the return of the CFD.
- **Technical Risk:** Investing in CFDs carries the risk arising from the possible inability to access the platform and/or access information relating to the price of a CFD or any other information. In addition, these operations involve operational risks arising from transactions being automatically processed.
- **Force Closure Risk:** Investing in CFDs runs the risk of positions being force closed by the Company without the investor's consent, due to abrupt movements in the underlying financial instrument alongside the use of leverage (margin trading), in the event an investor's margin level reaches a pre-determined rate (for more information see 'Costs & Charges' section below).
- ***There may be other risk factors with significant direct impact on the capital and return of investing in CFDs.***

Performance Scenarios

Worst Case Scenario:

In a worst-case scenario, an investor may lose their entire invested capital, depending on the direction of the CFD. The investor's investment may imply losses that cannot be determined; the investor may lose all their equity. The Company offers Negative Balance Protection; thus an investor will not be liable for losses beyond the available amount in the investor's account. For instance, an investor may be in a worst position where:

(i) a long position (buying a CFD) is open, and the price at the time the position closes is lower than the price at the time the position was opened; or

(ii) short position (selling a CFD) is open and the price at the time of the position closes is higher than the price at which the position was opened.

Best Case Scenario:

In a best-case scenario, the outcome cannot be quantified as there are no upper limitations, however an investor may earn more than their initial investment, if the direction of the CFD is in their favour. An investor may be in a better position where for instance:

(i) investor has a long position (buying a CFD), and the price at the time the position closes is higher than the price at the time the position was opened; or

(ii) investor has a short position (selling a CFD) and the price at the time of the position closes is lower than the price at the time the position was opened.

The above are scenarios presented with no guarantee of same taking place.

[Note: all figures in the table are for illustration purposes only]

The scenarios shown are a simplified representation of possible outcomes. You can use these scenarios to compare with the scenarios of other products, as they are calculated under similar conditions.

The scenarios presented are not an exact indicator of future performance, but an estimation to that effect. What You will get will vary depending on how the market performs and how long You keep the investment/product.

What happens if the Company is unable to pay out?

The Company is a member of the Investor Compensation Fund ("ICF" - private legal entity) which has been established pursuant to the Investment Firms Law and the Establishment and Operation of an Investment Compensation Funds of CIFs Regulations of 2004.

If the Company categorized You as a Retail Client and fails to return to You funds owed in case of insolvency of the Company, You may direct to the ICF. ICF may compensate You for claims up to €20,000. If Your claim exceed the €20,000 then You will be only entitled to receive a maximum of the equivalent of €20,000.

What are the Costs & Charges?

Pricing and other Related Information

The trading conditions, including the minimum and maximum transaction amounts, average spread and overnight swaps can be found on our website.

Spreads: for any financial instrument, two prices are quoted: the higher price ('Ask'), at which the investor can buy (go long) and the lower price ('Bid'), at which the investor can sell (go short). The difference between the 'Ask' and the 'Bid' is the spread. The spreads vary depending on the instrument and information can be found on our website.

**Example 1: The spread on the UK 100 is 1.0, calculated by subtracting 6446.7 (sell price) from 6447.7 (buy price).*

**Example 2: The spread on the GBP/USD is 0.9. If you subtract 1.65364 from 1.65373, that equals 0.00009, but as the spread is based on the last large number in the price quote, it equates to a spread of 0.9.*

Mark-Up: mark-ups on spreads are already applied on the spread displayed/ traded on CFDs through the trading platform.

Swaps: swaps are charges, which are incurred when a trade is kept open overnight, to reflect the cost of funding your trade. Both long ('buy') and short ('sell') positions are subject to daily swap, which may be in the favour of the investor or against them (for more information review the 'costs for maintaining a position' section above). From Monday to Thursday the swap is charged once and on Fridays the swap is charged in triple size (to cover for the weekend). The calculation for swaps is as follows: Swap = (one pip / exchange rate) * (trade size) * (swap value in points).

The swap charges can be reviewed at the company's website. CFDs do not confer any rights on the underlying assets.

Examples of Charges

When holding a long position (buying a CFD), the price at the time the position closes, is lower than the price at the time the position was opened, which is automatically converted to the trading account currency; or When holding a short position (selling a CFD), the price, at the time the position closes, is higher than the price at the time the position was opened, which is automatically converted to the trading account currency.

Additional costs: Margin Reinforcement

Margin reinforcement (i.e. making additional deposits) might be required by the investor in order to avoid the trading account's margin level falling below the margin level that would trigger the force closing of the position by the Company

Example: *An investor purchased 1,000 CFD on shares of company ABC at EUR 50 by depositing the initial leverage 1:25 (EUR 2,000). At margin level of 20% on MetaTrader4, which means an unrealized loss of EUR 1,600 if the share price drops to EUR 48.4, the investor will need to deposit more funds to keep his position open.*

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

It is possible for the Client to disinvest before maturity with no applicable fees and/or penalties on this.

How can I complain?

An online complaint form is available at the Company's website, which shall be filled and submitted by You to the Company's Compliance department directly from the website.

Other relevant information

Further details on the Investor Compensation Fund and the Complaints procedure, can be found on the Company's website.

Without prejudice to ad hoc reviews, this Key Information Document, it updated at least every 12 months.