KEY INFORMATION DOCUMENT

Purpose

Contract For Difference (CFD) linked to an Equity 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 Details CFDs

Are provided by Pello Capital Limited, company number 5267797. Pello Capital Limited is authorised and regulated by the Financial Conduct Authority (FCA) with Financial Services register number 449720 and is a member of the London Stock Exchange (LSE) and Nex Exchange. CFD TRADING PLATFORM: ETX CAPITAL, a trading name of MONECOR (LONDON) Ltd (Company No: 00851820, FCA Register: 124721) For more information please call 020 7412 8907. This Key Information Document was published on 28th May 2020.

WARNING: YOU ARE ABOUT TO PURCHASE A PRODUCT THAT IS NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND

What is this product?

A contract for difference ("CFD") is a leveraged contract entered with Monecor (Europe) Limited that allows an investor to speculate on rising or falling prices in the underlying asset. CFD on an equity is one of the contract for difference products which ETX Capital offers and these are over the counter financial products in which orders are executed outside a trading venue suchas a regulated market within specific trading hours. The trading of a CFD will be performed by ETX Capital where it agrees to settle in cash the performance of the asset which the investor decides to speculate on.

An investor has the choice to buy (or go "long") the CFD to benefit from rising equity prices; or to sell (or go "short") the CFD to benefit from falling equity prices. The price of the CFD is derived from the price of the underlying equity price. Price movements in the value of the underlying asset are measured in points. For instance, if an investor is long on an ABC Company CFD and the price of the underlying equity rises, the value of the CFD will increase - at the end of the contract ETX Capital will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if an investor is long and the price of the underlying equity falls, the value of the CFD will decrease - at the end of the contract they will pay ETX Capital the difference between the closing value of the contract and the opening value of the contract. The leverage embedded within all CFDs has the effect of magnifying both profits and losses.

Objectives

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying equity (whether up or down), without actually needing to buy or sell the underlying equity. The exposure is leveraged since the CFD only requires a proportion of the notional value of the contract to be put down upfront as initial margin and is one of the key features of trading CFDs. The CFD does not have a pre-defined maturity date and is therefore open-ended; by contrast, a future CFD has a pre-defined expiry date. There is no recommended holding period and it is down to the discretion of each individual investor to determine the most appropriate holding period based on their own individual trading strategy and objectives. Failure to deposit additional funds in the case of negative price movement may result in the CFD being auto-closed.
This will occur when losses exceed the initial margin amount. In the case of future CFDs, investors will be given the option to roll their existing contract into the next period – i.e., from a January expiry into a February expiry. Rolling is at the discretion of the investor but failure to do so will result in the CFD being auto-closed at the expiry date. ETX Capital also retains the ability to unilaterally terminate any CFD contract where it deems that the terms of the contract have been breached. For more information and examples of the key features of trading CFDs, contact Pello Capital 0203 700 2500

Intended Retail Investor

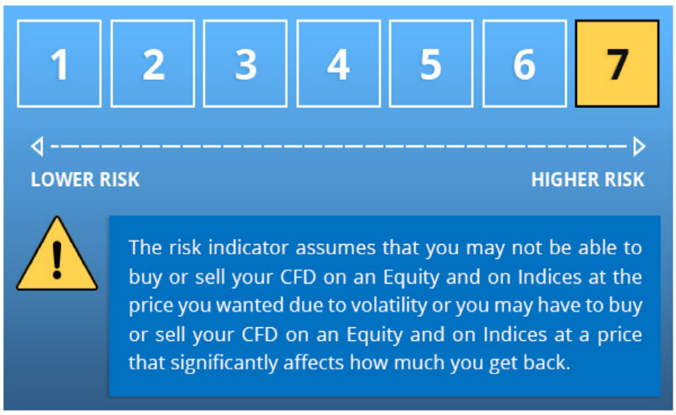
CFDs are intended for investors who have knowledge of, or experience with, leveraged products. Likely investors will understand how the prices of CFDs are derived, the key concepts of margin and leverage, and that losses may exceed deposits. They will understand the risk/reward profile of the product compared to traditional share dealing, and desire short-term, high-risk exposure to an underlying asset. Investors will also have appropriate financial means, hold other investment types and have the ability to bear losses in excess of the initial amount invested. In times of high volatility and or macroeconomic uncertainty, asset values may fluctuate significantly and adversely affect an investor's position. Such fluctuations can be even more significant in the case of leveraged products such as CFDs.

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

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 RISK INDICATOR the highest risk class. This rates 1 2 3 4 5 6 7 the potential losses from future

Losses may be incurred. Retail clients are subject to negative balance protection and your losses cannot exceed the amount invested

CFDs are leveraged products that, due to underlying market movement, can generate losses rapidly. Losses can exceed the amount invested and you may be required to deposit additional funds in order to keep your positions open. There is no capital protection against market risk, credit risk or liquidity risk. The risks included in this paragraph are non-exhaustive and a comprehensive description of the risks involved can be found at ETX Risk Warning Notice. www.etxcapital.com/en-gb/legal/risk-warning-notice.



Be aware of currency risk.

It is possible to buy or sell CFDs on an equity in a currency which is different to the base currency of your account. The final return you may get depends 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. Market conditions may mean that your CFD trade on an equity is closed at less favourable price, which could significantly impact how much you get back. We may close your open CFD contract if you do not maintain the minimum margin that is required, if you are in debt to the company, or if you contravene market regulations. This process may be automated.

A margin close-out protection is used to ensure that the retail investor's net equity in their account does not fall below 50% of the margin required to maintain the retail investor's open position on a CFD trade and it is applied as soon as market conditions allows. This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see "what happens if we are unable to pay you"). The indicator shown above does not consider this protection.

Performance scenarios

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:

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 (£2.05)
Trade size (per CFD):	TS	10,000 shares
Margin %:	M	20%
Margin Requirement (£):	MR = (P x TS) x M	£4100
Notional value of the trade (£):	TN = (P x TS)	£20,500

Table 1

LONG Performance Scenario	Closing Price (Inc. Spread)	Price Change	Profit/Loss	SHORT Performance scenario	Closing Price (inc. spread)	Price Change	Profit/Loss
Favourable	208.075	1.5%	£307.5	Favourable	201.925	-1.5%	£307.5
Moderate	206.025	0.5%	£102.5	Moderate	206.025	-0.5%	£102.5
Unfavourable	201.925	-1.5%	-£307.5	Unfavourable	208.075	1.5%	-£307.5
Stress	194.75	-5%	-£1025	Stress	215.25	5%	-£1025

The figures shown an example of a trade include all the costs of the product itself. If you have been sold this product by someone else, or have a third party advising you about this product, these figures do not include any cost that you pay to them. The figures do not take into account your personal tax situation, which may also affect how much you get back. For more information and examples please see the ETX website: https://www.etxcapital.com/

What happens if ETX Capital is unable to pay out?

If ETX Capital is unable to meet its financial obligations to you, you may lose the value of your investment. However, ETX Capital segregates all retail client funds from its own money in accordance with the UK FCA's Client Money Rules. ETX Capital also participates in the UK's Financial Services Compensation Scheme (FSCS) which covers eligible investments up to £85,000 per person, per firm. See www.fscs.org.uk.

What are the costs?

Trading a CFD on an equity incurs one-off, ongoing, incidental and other costs. The following costs and charges will reduce any net profit or increase your losses.

This table shows the different types of cost categories and their meaning		
One-off entry and exit costs	Currency conversion	Any cash, realised profit and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account and a currency conversion fee will be charged to your account.
Ongoing costs	Daily holding cost & Commission	A fee is charged to your account for every night that your position is held. This means the longer you hold a position, the more it costs. You will be charged a commission on each trade; Pello Capital typically charges 0.5% for each buy and sell trade on equities
Incidental costs	Distributor fee	We may from time to time where permitted by applicable law share a proportion of our spread, commissions and other account fees with other persons including a distributor that may have introduced you.
Other costs	Rollover costs	We charge you to roll over a futures contract into the next month or quarter, equal to half the applicable spread to open and close a trade.

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 at any time during market hours

How can I complain?

We hope you will never have a reason to complain or be dissatisfied with our service. However, if you are unhappy with any aspect of our service we hope that you will contact us and lets us try to put this right. However if we are unable to satisfy your concerns, we have a rigorous, independent complaints procedure that commits us to treating you fairly. You can raise your concerns in a number of ways.

In writing - Address your letter for the attention of the Complaints Manager at our London office (our address is below).

By telephone - You can raise your concerns with your broker and they will forward the details to the Complaints Manager, or you can telephone 020 3700 2500 and ask to speak with the Complaints Manager.

By email - You can contact our Complaints Manager by emailing your concerns to complaints@pellocapital.com.

Other relevant information

If there is a time lag between the time you place your order and the moment it is executed, your order may not be executed at the price you expected. Ensure your internet signal strength is sufficient before trading.

The spread betting section of our website contains important information regarding the terms and conditions relating to your trading with ETX Capital. You should ensure that you are familiar with all the terms and any other policies that apply to your account. www.etxcapital.com/en-gb/legal/customer-terms-and-conditions.

Pello Capital Limited

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