TRADE CAPITAL
—— UK ——

LEVERAGE POLICY
TRADE CAPITAL UK (TCUK) LTD

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1. INTRODUCTION

Trade Capital UK (TCUK) Ltd (referred to as "we", "us", "our", "ours", "ourselves" and "the Company") has established a Leverage Policy ("the "Policy") which applies to all its Retail clients. The purpose of this Policy is to set out the leverage practices of the Company in order to increase investor protection.

'Leverage' is the ratio of the transaction size to the actual investment used for margin. Leverage allows a client to trade without putting up the full amount. Instead, a margin amount is required. For example, 30:1 leverage, also known as 3.33% margin requirement, means $3,333 of equity is required to purchase an order worth $100,000. Leverage increases both upside and downside to risk as the account is now that much more sensitive to price movements.

2. SCOPE & APPLICABILITY

The Policy applies to all retail clients who are speculating on the short-term movements in the price of CFD's which are complex products, and it may be difficult for a majority of them to understand the risk involved. This is reflecting in the requirement to assess appropriateness as part of the account opening process. We adopted a robust process to assess the knowledge and experience of retail clients and potential retail clients, to check whether they understand the risks involved and to determine whether the Company's products are appropriate for them.

Leverage acts as a modifier on an account. Not only does it enhance potential profits, but it also enhances potential losses (losses can never exceed the funds on your account); it is for nearly all intents and purposes like trading with a much larger account.

3. OUR COMMITMENT

Treating Clients fairly is central to our corporate culture and ethos. We have a duty to act honestly, fairly, professionally and in the best interests of our clients when dealing with them. In relation to Leverage and Margin, we are required:

i.   To set leverage levels that reflect your knowledge and experience in trading in complex financial instruments like CFDs and Spread Bets, given that trading with leverage and margin is a key characteristic of trading in CFDs;

ii.   To have regard to our duty to treat you fairly by avoiding aggressive leverage practices towards you;

iii. To have regard to the underlying performance fundamentals of the financial instrument on which the CFD is based, including historic volatility, depth of market [liquidity and trading volumes], market capitalization of the issuer and country of issuer of the underlying financial instrument, our ability to hedge market risk and the general political and economic environment. We adjust and calibrate the above variables in determining the leverage levels we offer for asset classes or financial instruments.

iv.   Given that we effectively provide the leverage for which you trade, to have regard to our own risk management appetite and risk bearing capacity and to have in place policies, procedures and practices to manage our (primarily) market risk emanating from such leverage and margin trading by our clients;

v.   To apply regulatory requirements and caps as set by the Financial Conduct Authority (FCA), ESMA or any other regulator in any jurisdiction we offer our services to.

4. LEVERAGE SETTINGS

Following the formal adoption of measures on CFDs by The European Securities and Markets Authority (ESMA) on the 1st of June 2018, all retail clients that demonstrate the appropriate knowledge and experience during the registration process shall have the following maximum leverage settings on their account:

INSTRUMENTS	MAXIMUM LEVERAGE
CFDs on Major Currency Pairs	30:1
CFDs on Other Currency Pairs, Major Indices, Gold	20:1
CFDs on Commodities, Non-Major Indices	10:1
CFDs on Shares, ETFs	5:1

This Policy was updated on April 6, 2022.