

This document provides you with key investor information about this product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of investing in this product. Investors are advised to read this document, so they can make an informed decision about whether to invest. HYCM identifies this product as complex and as such it may be difficult for investors with no experience and/or no knowledge to understand.

Product - Stocks

These products are manufactured and distributed by HYCM Capital Markets (UK) Limited, FRN 186171, which is a subsidiary of the HYCM Capital Markets Group. Call +(44) 207 816 5902 or visit www.hycm.co.uk for more information.

Date of Last Update: 01.11.2022



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

What is this product?

Type

A Contract for Difference (CFD) is an Over the Counter (OTC) leveraged financial instrument which value is determined based on the value of an underlying asset. The leverage effect is a typical characteristic of a CFD.

Objectives

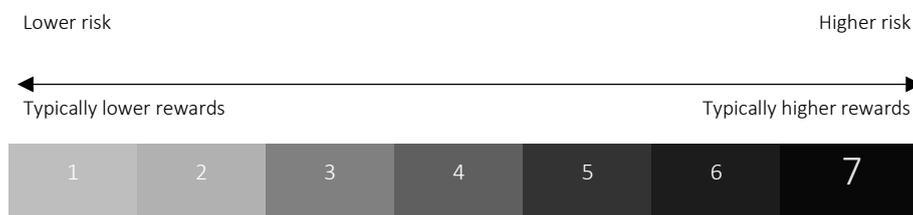
The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying stock (whether that be upwards or downwards), without the need to actually buy, sell or otherwise transfer the underlying stock. The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be put down upfront as initial margin. For every point the price of the product moves in the investor's favour, a gain multiple of the number of CFD units bought or sold are achieved. At every point the price moves against the investor, a loss will be incurred. For example, if you believe the value of Apple CFD is going to increase, you would buy the Stock (also known as "going long"), with the intention to later sell it when they are at a higher value. The difference between the buy and sell prices equates to your profit, minus any relevant costs (detailed below). If you think the value of Apple CFD is going to decrease, you would sell the Stock (also known as "going short") at a specific value, expecting to later buy it back at a lower price, resulting in us paying you the difference, minus any relevant costs (detailed below). However, in either circumstance if the Apple CFD moves in the opposite direction and your position is closed, either by you or as a result of a margin call (detailed below), you would owe us the amount of any loss you have incurred together with any costs. To open a position and to protect us against any losses you incur, you are required to deposit a percentage of the total value of the contract in your account. This is referred to as the margin requirement. Trading on margin can enhance any losses or profits you make

Intended Retail Investor

Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who: a) have risk tolerance; b) are trading with money they can afford to lose; c) have experience with, and are comfortable trading on, financial markets and understand the impact of and risks associated with margin trading and d) their investment goals vary according to their needs from generally, speculation and short term exposure to the financial market/instrument to investment and long term exposure

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

The risk and reward Indicator



The risk indicator assumes you keep the product until date. There is no recommended or minimum time period for holding this product. You may be forced due to the volatility of the market to buy or sell your CFD at a price that will significantly impact how much you get back.

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. Products that appear in a lower category do not guarantee a risk-free investment. These products are in this category because it can take higher risks in search of higher rewards and their price may rise and fall accordingly. **We have classified this product as 7 out of 7, which is the highest risk class.** This rates the potential losses from future performance of the product at a very high level. CFDs are leveraged products that, due to underlying market movement, can generate losses rapidly. There is no capital protection against market, credit or liquidity risks.

Be aware of currency risk: It is possible to buy or sell CFDs 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. For example, maintaining a trading account in US Dollars and trading in CFDs that are not priced in US Dollars are subject to foreign exchange risks. This risk is not considered in the indicator shown above.

In some circumstances you may need to make additional payments to compensate for losses. If the margin in your account falls below 50% of the total initial margin required for all the CFDs in your account, then we must close one or more of your positions. You could, therefore, lose your entire investment. However, the total loss you may incur will never exceed your invested amount. **The Company offers Negative Balance Protection to its Clients.**

In addition, the investment may be lost if the Company is unable to pay you out. However, you may benefit from a consumer protection scheme (see the section “what happens if HYCM is unable to pay you”). The indicator shown above does not consider this protection. It is possible that additional investment payment to your initial investment may be required in order to not have your open positions being stopped out.

Investment Performance Information

A CFD on a Stock (e.g. Apple Inc.) allows an investor to invest in the rising or falling prices of an underlying stock. The outcome of trading CFDs on Stocks (i.e. profit or loss) depends on the type of order placed by the investor (i.e. buy or sell) by taking into consideration his analysis and prediction on whether the price of the underlying stock will rise or fall, as well as how long he will choose to keep the order open by having regard to the available margin in his trading account. It should be noted that an order will be automatically stopped out with the investor incurring the relevant loss when the margin level reaches 50%.

The main factors that are likely to affect price movements and future returns include but are not limited to economic or political events such as elections and inflation rates, economic announcements, changes of interest rates, force majeure events such as natural disasters and war, supply and demand level, mergers and acquisitions, and the correlation between underlying assets.

It should be noted that in periods of adverse market conditions and in periods of volatility, rapid price movements occur in the market which could result in either an investor generating higher returns than he would otherwise generate in the case the market moves in his favor or incurring bigger losses in the case the market moves against him. It should be further noted that a CFD on a Stock has neither a recommended holding period nor a maturity or termination date, and an order, once opened, can be closed by the investor whenever he so chooses provided that the market is open.

What could affect my return positively?

An investor can generate returns by trading CFDs on Stocks, in the case he places a buy order, and the price of the underlying stock rises, or in the case he places a sell order, and the price of the underlying stock falls. For example, Apple is a popular, well-known major component of the NASDAQ stock exchange. Major news announcements from Apple over products and services, management, and director changes, and particularly regarding economic performance, quarterly earnings, and future expectations, can all move the Apple price, and an investor’s returns on a BUY Order on Apple, could be affected positively when the news flow surrounding Apple is positive.

What could affect my return negatively?

Conversely to the above, an investor can incur a loss, in the case he places a buy order, and the price of the underlying stock falls, or in the case he places a sell order, and the price of the underlying stock rises. By taking into consideration the above example, an investor’s order SELL on Apple could result in negative returns when the news flow surrounding Apple is positive.

What happens if HYCM is unable to pay out?

If HYCM is unable to meet its financial obligations to you, you may lose the value of your investment. However, HYCM segregates all retail client funds from its own money in accordance with FCA’s Client Assets Rules. Further, HYCM is covered by the UK’s Financial Services Compensation Scheme (“FSCS”). Investors may also email them by using the email address provided on the FSCS website at <http://www.fscs.org.uk>. As such, in the event that HYCM becomes insolvent and is unable to pay out to its clients, retail clients may be eligible to compensation of up to 85,000 GBP.

What are the costs?

The reduction in returns shows what impact the total costs you pay will have on the return you might get on your investment. The total costs take into account the one-off, ongoing and incidental costs. The amounts shown are the cumulative costs of the product, for three different holding periods. The figures assume you invest USD 1 000 and buy 1 lot of APPLE. The figures are estimates and may change in the future.

Investment (US\$1,000)			
Scenarios	If you close the position the same day (Intraday)	If you close the position after 1 day	If you close the position after 10 days
1 lot APPLE CFD BUY			
Total costs	[3.2%]	[3.32%]	[4.4%]

The below table shows the different types of cost categories and their meaning as well as the impact these may have on your investment.

One-off Entry and Exit costs	Spread	2.2%	The difference between the buy price ("offer price") and the sell price ("bid price") is called the spread. This cost is realised each time you open and close a trade. A fixed spread is offered in most circumstances. A dynamic spread is applicable to certain product offerings. For example: APPLE is trading at 144.82 Sell (Bid) and 145.04 Buy (Ask) the difference is 0.22 which is 22 pips and equal to \$ 22 cost for a trade.
	Currency Conversion	N/A	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.
	Commission	N/A	You may be charged a commission on each trade. For all types of CFDs offered, the commission is not incorporated into the quoted price and instead will be agreed with you before entering into any transaction and will be shown on the statement sent to you. In such an event, the Commissions will be charged to the Account. Commissions and charges may be changed from time to time without prior notice. However, commission is applicable to HYCM raw account type and Stocks are not provided under this account type.
	Mark-Up (where applicable)	N/A	The prices on which you are trading may include a mark-up which is a charge on the spread as received from the liquidity/price provider
Ongoing costs	Rollover Fee	0.12%	For every night that a position is held open, a rollover (swap) fee is applied. The rollover fee can be positive or negative depending on the direction of an investor's position and the applicable interest rate. The longer the position is held, the more rollover fees will accrue. For example: if you keep a trade for APPLE overnight, for Buy trades swap rate will be -3.00% (approx. -\$ 1.20) and for Sell trades swap rate will be -3.00%. Please refer to our Cost and Charges for more elaborative examples.
Other Costs	Dormant Fees	Fixed Cost	An account is considered dormant or inactive if there has been no activity for a continuous period of 90 days. These accounts will be charged an administration fee of US \$10.00 (or the equivalent value in the account base currency) every month until account activity resumes; the account is closed; or if the account balance reaches zero (0).
	Withdraw Fees	Fixed Cost	Withdrawals via Wire Transfer of less than US\$300 are charged with a handling fee of US\$30. Please also note that the sending and correspondent bank may charge a fee according to their own fee structure.
	Deposit Fees	N/A	HYCM will not apply any charges for depositing funds into the Account. Depositing funds can be done either by credit card payment, bank transfer or any other available payment options we offer online. Please note that when depositing via Wire Transfer, the sending and correspondent bank may charge a fee according to their own fee structure
Incidental Costs	Slippage	1.0%	Slippage refers to the difference between the expected price of a trade and the price at which the trade is executed. Prices of the financial instruments change several times in a second and this may cause the trading system to execute a trade at a different than the requested price. For example: trading APPLE and you want to close your trade at 144.25 but the system executed with the next available price 144.35 or 144.15 which may result your trade with \$10 more profit or loss

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

There is no recommended holding period but CFDs are usually held for less than 24 hours. You can open and close a CFD on a Stock at any time during market hours. There is no cancellation period and therefore no cancellation fees. CFDs will expire when the investor chooses to exit the product or in the event the investor does not have available margin.

How can I complain?

In the event of a complaint arising the Compliance department is responsible for the supervision of the complaints resolution process and can be contacted at the following address: *The Compliance Officer, HYCM Capital Markets (UK) Limited, St Clement's House 27-28 Clement's Lane, London, EC4N 7AE, United Kingdom* or by e-mailing: complaints@hycm.com. If you are not satisfied with our response to your complaint, you may refer the complaint to the Financial Ombudsman Services. See www.financial-ombudsman.org.uk. For more information please visit the Company's website to view the [Complaints Policy](#).

Other relevant information

Investors must check [Terms of Business](#) and [Legal Documents](#) regularly, they can be updated them at any time without prior notice. Investors must agree to any changes if they wish to continue to use the services or features of the trading platform after the terms and conditions have been updated.