

# SCHEDULE OF COSTS & CHARGES

Contracts for difference (“CFDs”) and spread bets are complex instruments and come with a high risk of losing money rapidly due to leverage.

**The percentage of retail investor accounts losing money when trading CFDs and spread bets with us is set out in our Risk Warning and available on our Website.**

You should consider whether you understand how CFDs and spread bets work, and whether you can afford to take the high risk of losing your money.

## 1. PURPOSE OF THIS DOCUMENT

This Schedule of Charges (“**Schedule**”) is intended to inform you of the charges, commissions, fees and costs (“**Costs and Charges**”) associated with our products (CFDs and Spread Bets) which will be charged to you directly by ADS Securities London Limited (“**ADSSL**”, “**We**” or “**Us**”).

You will find the formulae for how we calculate our Fees and with worked examples. You can apply these to your own trades to estimate the cumulative effect of our Fees on your returns. It is important to remember that your total Costs and Charges will increase proportionate to your trading sizes and volumes.

This Schedule does not include costs and expenses incurred by us in providing the services such as costs and charges for incidental banking-related fees such as wire charges for deposits/withdrawals costs and Transaction-related expenses, which may include additional expenses attributed by the ADS Group to the execution of Transactions for your Account and fees arising out of Transactions in your Account. We can provide you with a list of such costs and expenses upon your request.

Please note that if you have been introduced to us via a third party or introducing broker you may be subject to a different schedule which will be provided to you separately.

## 2. MARKET INFORMATION SHEETS

ADSS provide a large suite of asset classes for clients to trade across all time zones via our online platforms, covering Spread betting and CFDs. Please note that the applicable product terms or applicable costs may vary between our MT4 and OREX Platforms. For further information on the applicable costs, product terms or trading hours please refer to the applicable Market Information Sheets that are available on our website.

- Equities
- Indices
- Foreign Exchange
- Commodities
- Bonds and Interest Rate Futures
- Other Markets

For further information please contact your relationship manager directly. Alternatively, you can email ([ClientSupport@adss.com](mailto:ClientSupport@adss.com)) our customer support team or call us on +44 (0)203 771 5453.

## 3. SPREADS

The buy and sell price of a CFD or Spread bet are generally not the same, where the difference between the bid price (the price at which you can sell a market) and the ask price (the price at which you can buy a market) is referred to as the Spread which is a charge applied by us as a cost of trading a market or asset class.

It is important to note that the spreads for individual asset classes may vary depending upon your choice of trading platform (MT4 or OREX). Please note that a spread may widen overnight or during periods of market volatility. ADSS publishes details of regular and overnight spreads on the relevant asset market information sheet(s).

## 4. OUR COMMISSION

With ADSS, you can trade single stock CFDs and spread bets on underlying equity shares from companies listed on various global stock exchanges. Further information on the single stock CFDs and spread bets that are available for trading on each of our platforms (MT4 & OREX) is published in the Market Information Sheets which are available on our website.

A commission is payable when opening and closing a CFD or Spread bet Position, and the below table shows the commission payable by you for each of our trading platforms.

MT4 Platform		
Commission per CFD (1 Unit CFD = 100 shares) / Spread Bet		
Country / Region	Commission Rate	Minimum Commission Rate
UK Shares	8 Basis Points (bps)	N/A
US Shares	2 Cents Per Share	N/A
German Shares	8 bps	N/A
European Shares	8 bps	N/A

OREX Platform		
Commission per CFD (1 unit = 100 shares) / Spread Bet		
Country / Region	Commission Rate	Minimum Commission Rate
FTSE 350 Shares	10 Basis Points (bps)	£10.00
Other UK Shares	20 bps	£15.00
European Shares (excluding Greek, Italian and Spanish shares)	10 bps	€10.00
Greek, Italian and Spanish shares	15 bps	€15.00
US Shares	4 US Cents Per Share	\$10.00

### 4.1 MT4 Platform - Single stock CFD Example

The Commission rate on a UK Equity CFD is 8 basis points (8bps) and we do not apply any minimum charge.

A purchase of 10 CFD Contracts (10 units is equal to 1,000 shares) in Vodafone at a price of 500 pence per share would incur the following Commission:

$$\begin{aligned} &(\text{Units} \times \text{price}) \times 0.08\% \text{ (8bps)} = \text{Commission} \\ &1000 \text{ shares} \times 500 \text{ pence per share} = \text{£}5,000 \times 0.08 = \text{£}4 \end{aligned}$$

### 4.2 OREX Platform - Single stock CFD Example

The Commission rate on a UK FTSE 350 Equity CFD is 10 basis points (10bps) and all equity transactions on our OREX platform are subject to a minimum commission charge (e.g. for a UK FTSE 350 equity share the minimum commission is £10).

A purchase of 10 CFD Contracts (equal to 1,000 shares) in Vodafone (FTSE 350 share) at a price of 500 pence per share would incur the following Commission:

$$\begin{aligned} &(\text{Units} \times \text{price}) \times 0.1\% \text{ (10 bps)} = \text{Commission} \\ &1000 \text{ shares} \times 500 \text{ pence per share} = \text{£}5,000 \times 0.10 = \text{£}5 \end{aligned}$$

However since the actual commission on this trade is less than our minimum commission charge for trading on our OREX platform, the minimum charge of £10 would be applied.

### 4.3 MT4 Platform - Single stock Spread bet Example

The Commission rate on a UK Equity Spread bet is 8 basis points (8bps) and we do not apply any minimum charge.

ADS Securities London Limited 9th Floor, 125 Old Broad Street, London EC2N 1AR

ADS Securities London Limited is authorised and regulated by the Financial Conduct Authority (FRN 577453). Registered as a company in England and Wales, number 07785265.

ADSS\_London\_Schedule\_of\_Costs\_and\_Charges - 10MAR2022

A long £10 per point Spread bet in Vodafone at a price of 500 pence per share would incur the following Commission:

$$\begin{aligned} &(\text{Stake} \times \text{price}) \times 0.08\% \text{ (8bps)} = \text{Commission} \\ &10 \times 500 \text{ pence per share} = \text{£5,000} \times 0.08 = \text{£4} \end{aligned}$$

#### 4.4 OREX Platform - Single stock Spread bet Example

The Commission rate on a UK FTSE 350 Equity Spread bet is 10 basis points (10bps) and all equity transactions our OREX platform are subject to a minimum commission charge (e.g. a UK FTSE 350 share the minimum commission is £10).

A long £10 per point Spread bet in Vodafone at a price of 500 pence per share would incur the following Commission:

$$\begin{aligned} &(\text{stake} \times \text{price}) \times 0.1\% \text{ (10 bps)} = \text{Commission} \\ &10 \text{ shares} \times 500 \text{ pence per share} = \text{£5,000} \times 0.10 = \text{£5} \end{aligned}$$

However in this case the minimum charge of £10 would be applied.

## 5. OUR DAILY FUNDING CHARGES

Daily Funding Charges (also referred to as an Overnight Financing Charge) are applied to Cash CFD and Spread Bet instruments that are traded on either of our platforms and remain open at the end of each trading day (17:00 New York time and 22:00 UK Time). This charge can be positive or negative depending on whether you are long or short, and is derived from the reference interbank rate plus our mark-up to cover our administration costs.

The following table shows the applicable costs per asset class and example calculations can be found below:

Asset Class	Instrument	Cost
Equity	All Exchanges	1 Month LIBOR Rate + / - 2.5%
Indices	All Cash Index Instruments	Current 1 Month LIBOR Rate + / - 2.5%
FX	All FX Pairs	Tom-Next Rate + / - 20%

Please note that Daily Funding Charges do not apply to futures contracts in Indices, Commodity, Treasury and Interest rates.

Daily Funding Charges can be calculated using the following formulas:

Asset Class	Formula Calculation
Equities and Indices	Nights held x (market closing price x trade size x (2.5% +/- 1month LIBOR)) / 365
Foreign Exchange (Forex)	Nights held x Tom-Next* rate x trade size
	Please note that when trading forex, there will be always be an overnight financing fee because forex settles on a T+2 basis. In addition, if you hold a position overnight on a <u>Wednesday</u> you will be charged for three days' carry.
	We take our tom- next swap rates from the underlying market. A current full list of our FX swap rates is available on <a href="#">Market Information Sheet</a> .

Please note that the divisor used in the overnight funding charge calculation (day count convention) is 365 for GBP or GBP reference instruments and 360 for all other currencies or non-GBP reference instruments.

### 5.1 Equity CFD Worked Example

If you have sold short 1 Amazon CFD contract (equal to 100 shares) for 4 nights with a price of 1,925 USD each evening.

	MT4 Platform	OREX Platform
Current USD 1m LIBOR rate	2.36%	2.36%
Commission rate	2 cents per share	4 cents per share
Annual stock borrow rate	0.75%	0.75%
Funding charge (4 days)	4 x 100 x 1,925 x	4x100x1,925x

	$(2.5\% - 2.36\%) / 360 = \$2.99$	$(2.5\% - 2.36\%) / 360 = \$2.99$
Commission charge	$100 \times \$0.02 = \$2$	$100 \times \$0.04 = \$10$ (Minimum Commission applies)
Stock borrow charge (4 days)	$4 \times 100 \times 1,925 \times 0.75\% / 360 = \$16.04$	$4 \times 100 \times 1,925 \times 0.75\% / 360 = \$16.04$
Total charge = Funding charge + Commission + Stock borrow charge	$2.99 + 2 + 16.04 = \$21.03$	$2.99 + 10 + 16.04 = \$29.03$

## 5.2 Equity Spread Bet Worked Example

If you are long £10 per point on Vodafone Spread bet and you hold your trade open for 3 nights with a closing price of 135 pence each evening.

	MT4	OREX
Current UK 1m LIBOR rate	0.7215%	0.7215%
Commission rate	8bps	10 bps
Annual stock borrow rate	0.7215%	0.7215%
Commission Charge	$10 \times 135 \times 0.08 = £1.08$	$10 \times 135 \times 0.10 = £10.00$
Funding Charge (3 days)	$3 \times 135 \times (2.5\% + 0.7215\%) / 365$	$3 \times 135 \times (2.5\% + 0.7215\%) / 365$
Total Funding charge	$3 \times 10 \times 135 \times (2.5\% + 0.7215\%) / 365 = £0.36$	$3 \times 10 \times 135 \times (2.5\% + 0.7215\%) / 365 = £0.36$
Total charge = Funding charge + Commission + Stock borrow charge	$£0.36 + £1.08 = £37.08$	$£0.36 + £10.08 = £10.44$

## 5.3 Indices Spread Bet Worked Example

If you are long £10 per point of the UK100. Cash Index CFD and you hold your position open for 2 nights, with a closing price of 7,500 on both evenings.

Current GBP 1m LIBOR rate	0.7215%
Daily Funding charge	$= 2 \times £10 \times 7,500 \times (2.5\% + 0.7215\%) / 365$
Total charge	£13.24

## 5.4 Indices CFD Work Example

Imagine that you're selling Short 5 contracts of German30. You hold your trade for 7 nights (including the weekend), with a price of 12,500 at 10:00pm at the close of each trading day

Current EUR 1m LIBOR rate	-0.372%
Daily Funding charge	$= 7 \times 5 \times 12,500 \times (2.5\% - (-0.372\%) / 360$
Total charge	€34.90

## 5.5 Foreign Exchange Spread Bet Worked Example

Imagine that you are short £5 per point on GBPUSD and hold the position for one day

Underlying Tom-Next Rate	Short swap 0.22 (BID)* Long swap -0.85 (ASK)*
Daily Funding charge	1 night x £5 x 0.22
Total Receipt	£1.10

## 5.6 Foreign Exchange CFD Worked Example

ADS Securities London Limited 9th Floor, 125 Old Broad Street, London EC2N 1AR

ADS Securities London Limited is authorised and regulated by the Financial Conduct Authority (FRN 577453). Registered as a company in England and Wales, number 07785265.

ADSS\_London\_Schedule\_of\_Costs\_and\_Charges - 10MAR2022

Imagine that you are long 1 contract of GBPUSD held for one night on Wednesday. Forex trades settle on a T+2 basis and so you pay to hold your position open for three nights rather than one as forex trades are unable to settle at the weekend.

<b>Underlying Tom-Next Rate</b>	Short swap 0.22 (BID)* Long swap -0.85 (ASK)*
<b>Daily Funding charge</b>	3 nights x -0.85 x \$10 contract
<b>Total charge</b>	\$25.50

#### \*What is Tom-Next?

Tom-next is a term used in the forex market and it means tomorrow-next day in full and relates to the process by which FX traders avoid taking physical delivery of currency by keeping forex positions open overnight and providers will swap any overnight positions for an equivalent contract that starts the following business day. The price difference between the two contracts is called the tom-next adjustment.

Tom-next is calculated by adjusting the closing level of the open position with the interest rate of the two currencies of the FX pair trade which includes our mark-up of + / or - 20%. You will receive an interest payment if you are buying a currency with a higher interest rate than you receive and vice versa. Therefore there will be always be an overnight financing fee when you trade forex. This is because forex settles on a T+2 basis, so if you hold a position overnight on a Wednesday you will be charged for three days' carry.

## 6. OTHER COSTS

### 6.1 Payments in to/out of your Account

You can make deposits to your Account via credit or debit cards, or via funds transfer from your bank account. We do not accept cash or cheque payments. Please ensure that any payment that you make is from an account or card in your name. There is no charge to receive funds via a standard bank transfer (national transfers) and if you fund using a credit card you may be subject to a service charge by the card issuer. If you require any further information about making payments into or out of your account, please refer to our website or contact our Client Management Team.

For further information on payment options please refer to our [website](#).

### 6.2 Currency Conversion

All Realised Profit or Loss will be automatically converted into the Account currency at the time of the closing of a position. ADSS will apply a mark-up of 0.25% to any conversion.

### 6.3 Dividend Adjustments

These are not a charge on your Account but are price adjustments that reflect the effect of a dividend on any open position.

### 6.4 Rights to underlying equity shares

When holding a CFD or a Spread Bet you retain no rights to the underlying issued shares; adjustments will be made to your Account to preserve the economic equivalent change whenever a dividend payment is made by a share issuer. Internal Adjustments will be made based on your holding as of the close of business on the day prior to the underlying shares trading Ex-Dividend (without entitlement) and will be posted to your Account before market open on the Ex-Date. Payment on long Positions will be credited to your Account net of the amount that would have been withheld for withholding tax if the Position was held as physical shares.

### 6.5 Cash Index Spread Bet

Where you hold a Position in an index which is subject to the payment of price adjustments generated from the dividends paid by the underlying company constituents of the index, a cash adjustment will be posted to your Account to reflect the value change, or points drop, in the index.