

Leverage and Negative Balance Protection Notice

The retail leverage limits by asset class, the 50% margin close-out rule and how negative balance protection works.

ISSUER	LL CAPITAL & PARTNERS LIMITED (trading as North Stone Capital)
REGULATOR	Malta Financial Services Authority (MFSA)
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REGISTERED OFFICE	TAGLIAFERRO BUSINESS CENTRE, LEVEL 6 Gaiety Lane SLIEMA Malta SLM 1551
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LANGUAGE	English (language of record). Paper copies free on request: support@northstonecapital.net

This notice explains the leverage limits, margin close-out rule and negative balance protection that apply to retail clients of LL CAPITAL & PARTNERS LIMITED ("we") when trading CFDs. The measures follow the product-intervention rules for CFDs adopted by the Malta Financial Services Authority (MFSA) on the basis of the European Securities and Markets Authority's decisions, and they apply to every retail account regardless of tier.

1. Why leverage is limited

Leverage lets you control a position worth many times the margin you deposit. It multiplies gains and losses equally, and it is the main reason that 72% of retail investor accounts lose money when trading CFDs with this provider. Limits on leverage cap how quickly an adverse move can consume your margin.

2. Retail leverage limits by asset class

Asset class	Maximum leverage	Minimum initial margin
Major currency pairs (EUR/USD, GBP/USD, USD/JPY, USD/CHF, USD/CAD, AUD/USD, NZD/USD and their crosses)	30:1	3.33%
Other currency pairs, gold and major stock indices	20:1	5%
Commodities other than gold and non-major stock indices	10:1	10%
Individual shares and other reference values	5:1	20%
Cryptocurrencies	2:1	50%

Where an instrument sits in a lower-leverage class, that limit applies. The margin rate for every instrument is shown on the platform before you place an order.

3. Margin close-out at 50%

We monitor the equity on your account against the margin required for your open positions. When equity falls to **50% of the required margin**, we close one or more positions, starting with the position showing the largest loss, until the account is back above the threshold or no positions remain. Close-out happens automatically and at the next available price, which in a gapping market may be worse than the 50% level. The rule protects you from losing more than half of the margin on a normal day; it does not guarantee a floor.

4. Negative balance protection

If, despite the close-out rule, a market gap takes your account balance below zero — for example over a weekend or on a sudden announcement — **we reset the negative balance to zero**. You cannot owe us money as a result of trading on a retail account. Protection applies per account, not per position, and is applied at the end of the trading day on which the negative balance occurred.

5. Other retail measures

- **No trading incentives.** We do not offer bonuses, rebates or other benefits to encourage retail clients to trade.
- **Standardised risk warning.** Every promotion carries the percentage of our retail accounts that lose money, recalculated quarterly.
- **Appropriateness assessment.** Before your first trade we assess whether you understand leveraged products, and we warn you if we consider CFDs inappropriate for you.

6. Professional clients

Clients categorised as professional under our Client Categorisation Policy may trade with higher leverage and are **not** covered by the 50% close-out rule or negative balance protection as of right. Losses can exceed the funds deposited. The protections you give up are explained in writing before any re-categorisation takes effect.

7. Changing your leverage

You may ask at any time to trade at lower leverage than the maximum, for the whole account or for selected instruments, using the leverage change request form available from support. Requests to increase leverage above the retail limits are only possible through professional categorisation.

8. Contact

Questions about this notice may be sent to support@northstonecapital.net.

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