

Your New Hythe Statement - A Guide

Dear Client,

Hythe Multicurrency statements have been designed to meet the needs of clients that trade different products in several different currencies. These statements will enable a client to receive a single Multicurrency statement showing all positions held in each currency. Commissions can be charged in the products base currency or alternatively in a single currency, which ever is preferred.

Clients will now have the opportunity to trade in a wide range of instruments from one account, based upon just one main account balance.

Clients will now also have access to a collateral facility where they have the option of using their blue-chip portfolio holdings as margin for and in the same account as, stocks, foreign exchange, futures or cfd's, thereby maximising the use of their assets, reducing the need for injecting additional cash for trading purposes and making viable a variety of cross-margined and yield-enhancing strategies.

There are several easy-to-read summaries in these statements. They include:

- Trade Confirmation
- Cash Entries
- Purchase and Sale
- Option Memo
- Open Position
- Account Summary

In the following pages we will show an example of all the potential summaries a client will see on the Multicurrency statements.

Firstly, we will look at trade confirmation of which there, can be, up to six types which we will deal with in turn.

1. Confirmation of Futures Trades

Account name and address

ACCOUNT NUMBER: [REDACTED]

STATEMENT DATE: JUL 19, 2000

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* * * * * C O N F I R M A T I O N * * * * *
THE FOLLOWING TRADES HAVE BEEN MADE THIS DAY FOR YOUR ACCOUNT AND RISK.
DATE  SETTL  BUY      SELL  CONTRACT DESCRIPTION      EX TRADE PRICE CC  DEBIT (-)/CREDIT
-----
7/19/0                1      1  SEP 00 S&P 500            16 1494.00  US
7/19/0                1      1  SEP 00 S&P 500            16 1502.00  US
7/19/0                1      1  SEP 00 S&P 500            16 1503.00  US
7/19/0                2*     2*  SEP 00 S&P 500            16 1506.00  US
                                     COMMISSION US          60.00DR
                                     TOTAL DUE US           60.00DR
    
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Trade date

How many contracts bought or sold.
* Denotes total buys and sales

Details of Product Traded

ADMIN use only. Each traded exchange has an ID number in our system. This helps us to manage all the products traded.

Traded price

Commission payable and in which currency. The column headed CC shows which currency the product is traded in.

2. Confirmation of Options Trades

The option confirmation shows similar information to the futures with the addition of the following

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* * * * * C O N F I R M A T I O N * * * * *
THE FOLLOWING TRADES HAVE BEEN MADE THIS DAY FOR YOUR ACCOUNT AND RISK.
DATE  SETTL  BUY      SELL  CONTRACT DESCRIPTION      EX TRADE PRICE CC  DEBIT (-)/CREDIT
-----
12/06/0                4      4  PUT  MAR 01 S&P 500      1050 16    3.80  US          3,800.00
                                     UND CLOSE: 1374.00000000
4* EX- 3/16/01
                                     COMMISSION US          40.00DR
                                     PREMIUM / GROSS AMT US  3,800.00
                                     TOTAL DUE US           3,760.00
    
```

Here you can see whether the option is a put or a call and what strike you have traded. It also shows the underlying price of the contract and the expiry date of the option.

When the option traded is an LTOM or American style option the premium shows after each trade. The total amount due is the figure which be posted to the cash balance and includes both commission and premium.

3. Confirmation of Stock Trades

* * * * * C O N F I R M A T I O N * * * * *

THE FOLLOWING TRADES HAVE BEEN MADE THIS DAY FOR YOUR ACCOUNT AND RISK.

DATE	SETTL	BUY	SELL	CONTRACT DESCRIPTION	EX TRADE PRICE	CC	DEBIT (-)/CREDIT
12/06/0	12/13/0	2,000		ROLLS ROYCE	L1 202	BP	4,040.00DR
						BP	40.40DR
						BP	20.20DR
						BP	4,040.00DR
						BP	4,100.60DR

ORDINARY 20 PENCE SHARE

2,000*

Trade date

Settlement date

Number of shares bought or sold totalled with an *

Name and type of Stock traded

The last part show's the financial movements for each trade. The confirmation shows the cash amount to be paid or received on settlement date, Gross Profit or Loss and also any Stamp Duty which maybe applicable. The Total Due shows the total of these amounts.

4. Confirmation of "As of" Trades

When a trade has been entered onto the client's account the following day they appear just below the daily confirmation. The heading states that these trades are for "The Date Indicated." Below is an example of a backdated futures trade. Note the statement date and the trade date.

ACCOUNT NUMBER: _____

STATEMENT DATE: DEC 6, 2000

* * * * * C O N F I R M A T I O N * * * * *

THE FOLLOWING TRADES HAVE BEEN MADE THIS DAY FOR YOUR ACCOUNT AND RISK.

DATE	SETTL	BUY	SELL	CONTRACT DESCRIPTION	EX TRADE PRICE	CC	DEBIT (-)/CREDIT
12/06/0		2		DEC 00 NEW FTSE 100	05 6338.0	BP	
		2*				BP	.56DR
						BP	.56DR

THE FOLLOWING TRADES HAVE BEEN MADE AS OF THE DATE INDICATED.

DATE	SETTL	BUY	SELL	CONTRACT DESCRIPTION	EX TRADE PRICE	CC	DEBIT (-)/CREDIT
12/05/0		2		DEC 00 NEW FTSE 100	05 6314.0	BP	
		2*				BP	.56DR
						BP	.56DR



5. Confirmation of Trade Cancellation

Occasionally a client with two or more accounts may want to move a trade from one to the other. To move a trade that is already in an account involves cancelling the trade out. This part of the confirmation appears after the backdated trades (Confirmation 3)

THE FOLLOWING TRADES HAVE BEEN CANCELLED.								
DATE	SETTL	BUY	SELL	CONTRACT DESCRIPTION	EX	TRADE PRICE	CC	DEBIT (-)/CREDIT
12/05/0		8		DEC 00 CAC 40 INDEX	30	5191.00	EU	
		8*					EU	20.80
							EU	20.80
							EU	20.80

6. Confirmation of Stock Settlement

In the case of stock trades the settlement of the stock shows in a separate part of the confirmation seen below. From here you can see the total amount in cash which will be posted to a clients account, broken down into each component which makes up the total due amount.

THE FOLLOWING TRADES HAVE BEEN SETTLED.								
DATE	SETTL	BUY	SELL	CONTRACT DESCRIPTION	EX	TRADE PRICE	CC	DEBIT (-)/CREDIT
3/12/1	3/15/1		65,000	EMERALD ENERGY PLC	L1	2 3/4	BP	1,787.50
							BP	25.00DR
							BP	1,787.50
							BP	1,762.50
				ORDINARY 1 PENCE SHARE				
			65,000*					
3/12/1	3/15/1		2,730	MARKS AND SPENCER	L1	222 1/2	BP	6,074.25
							BP	25.00DR
							BP	6,074.25
							BP	6,049.25
				ORDINARY 25 PENCE SHARES				
			2,730*					
3/12/1	3/15/1		1,350	GOOCH & HOUSEGO PLC	L1	303	BP	4,090.50
							BP	25.00DR
							BP	4,090.50
							BP	4,065.50
				ORDINARY 20 PENCE SHARES				
			1,350*					



Cash Entries

Hythe Multicurrency Statements have two separate summaries for Cash Entries:

- Commission Entries
- Journal Entries

1. Commission Entries

THE FOLLOWING TRADE RELATED ADJUSTMENTS HAVE BEEN MADE FOR YOUR ACCOUNT.				
ADJUSTMENT DESCRIPTION	EX	TRADE PRICE	CC	DEBIT (-)/CREDIT
ADJ COMM 40 S+P 12/3	16		US	.00
			COMMISSION US	500.00
			TOTAL DUE US	500.00
ADJ COM 20 S+P 1185C 12/3	16		US	.00
			COMMISSION US	250.00
			TOTAL DUE US	250.00
ADJ COM 10 S+P 1240P 12/3	16		US	.00
			COMMISSION US	250.00
			TOTAL DUE US	250.00
ADJ COMM 20 S+P 9/3	16		US	.00
			COMMISSION US	250.00
			TOTAL DUE US	250.00

Should for any reason Hythe need to adjust a commission in a clients account the Multicurrency statement gives us the ability to manually adjust an account with a description so the client knows exactly what for and why we have adjusted their account. It also shows the currency in which the adjustment has been made. As in the Confirmations you see an EX field. This is for admin use so we know to which exchange the commission entry relates. The above is an example of a cancellation.

2. Journal Entries

THE FOLLOWING JOURNAL ENTRIES HAVE BEEN POSTED TO YOUR ACCOUNT.			
DATE	JOURNAL DESCRIPTION	CC	DEBIT (-)/CREDIT
3/13/1	F FRONTINI RF 8349	EU	200,000.00

A Journal Entry would be used to show when a client has paid or withdrawn any money from their account. Also any interest which may have been credited or debited to the account would be seen here.



Purchase and Sale

The Purchase and Sale section of the statements shows the realised profit and loss from trades. As shown in the example below each contract's profit and loss is shown by total position and not trade by trade. The client can decide whether they want their account set up as an instruct basis, where the client informs us of which trades they would like to close or on a first in first out (FIFO) where the trades settle either overnight or on one day leave [see Customer Open Position Netting].

* * * * * P U R C H A S E & S A L E * * * * *									
DATE	SETTL	BUY	SELL	CONTRACT DESCRIPTION	EX	TRADE	PRICE	CC	DEBIT (-)/CREDIT
3/13/1		50		APR 01 IPE BRENT CRD	19		25.28	US	
3/13/1			25	APR 01 IPE BRENT CRD	19		25.51	US	
3/13/1			5	APR 01 IPE BRENT CRD	19		25.64	US	
3/13/1			20	APR 01 IPE BRENT CRD	19		25.67	US	
		50*	50*						
									GROSS PROFIT OR LOSS US 15,350.00
									TOTAL DUE US 15,350.00
3/13/1		25		MAY 01 IPE BRENT CRD	19		25.95	US	
3/13/1			25	MAY 01 IPE BRENT CRD	19		25.99	US	
3/13/1		30		MAY 01 IPE BRENT CRD	19		26.02	US	
3/13/1			30	MAY 01 IPE BRENT CRD	19		26.05	US	
3/13/1		35		MAY 01 IPE BRENT CRD	19		26.07	US	
3/13/1			35	MAY 01 IPE BRENT CRD	19		26.10	US	
3/13/1		25		MAY 01 IPE BRENT CRD	19		26.25	US	
3/13/1			25	MAY 01 IPE BRENT CRD	19		26.28	US	
		115*	115*						
									GROSS PROFIT OR LOSS US 3,700.00
									TOTAL DUE US 3,700.00

Option Memo

An option memo shows any American Style options (premium paid up front) settling on the account. The Gross credit and debit fields show the original cost of purchasing or selling the option. The net memo figure is the total profit or loss on a square option position. This figure has no impact on the cash balance and is only used for audit purposes.

MEMO OPTIONS OFFSETTING INFORMATION.									
DATE	SETTL	BUY	SELL	CONTRACT DESCRIPTION	EX	TRADE PRICE	CC	DEBIT (-)/CREDIT	
3/02/1			4	CALL JUL 01 WHEAT	270	01	.27 1/2	US	5,500.00
3/12/1		4		CALL JUL 01 WHEAT	270	01	.26	US	5,200.00DR
		4*	4*	UND CLOSE: 2.96500000					
				GROSS DEBIT OPTION PREMIUM					5,200.00DR
				GROSS CREDIT OPTION PREMIUM					5,500.00
				NET MEMO OPTION PREMIUM					300.00
1/31/1			4	CALL MAY 01 WHEAT	280	01	.13	US	2,600.00
3/12/1		4		CALL MAY 01 WHEAT	280	01	.08	US	1,600.00DR
		4*	4*	UND CLOSE: 2.85500000					
				GROSS DEBIT OPTION PREMIUM					1,600.00DR
				GROSS CREDIT OPTION PREMIUM					2,600.00
				NET MEMO OPTION PREMIUM					1,000.00
3/09/1		2		PUT MAY 01 WHEAT	280	01	.07	US	700.00DR
3/12/1			2	PUT MAY 01 WHEAT	280	01	.08	US	800.00
		2*	2*	UND CLOSE: 2.85500000					
				GROSS DEBIT OPTION PREMIUM					700.00DR
				GROSS CREDIT OPTION PREMIUM					800.00
				NET MEMO OPTION PREMIUM					100.00
3/02/1			4	PUT JUL 01 WHEAT	280	01	.10	US	2,000.00
3/12/1		4		PUT JUL 01 WHEAT	280	01	.09	US	1,800.00DR
		4*	4*	UND CLOSE: 2.96500000					
				GROSS DEBIT OPTION PREMIUM					1,800.00DR
				GROSS CREDIT OPTION PREMIUM					2,000.00
				NET MEMO OPTION PREMIUM					200.00

Open Positions

The multicurrency statement Open Position section shows all the unsettled trades in trade date order, settlement prices for each individual product and mark to market variations/profit or loss. Below shows an example of how an Open Position would look on the statement.

- The date shown on the left of the statement shows the original trade date
- The Long and Short positions are totalled at the end of each contract to give the overall Long and overall Short positions
- The price you see attached to the trade is the original trade price. The last price in this column is the settlement price (S.P.)
- The OTE is the last column. This shows the mark to market of each individual position against the previous night settlement price (S.P.) The variation margin is totalled at the end of each contract to show the full value of each position.



* * * * * O P E N P O S I T I O N S * * * * *									
TRADE	SETTL	LONG	SHORT	CONTRACT DESCRIPTION	EX	PRICE	CC	DEBIT/CREDIT	
12/08/0		4		NOV 01 EEC WHEAT	14	74.00	BP	340.00DR	
1/10/1		2		NOV 01 EEC WHEAT	14	75.50	BP	470.00DR	
1/12/1		5		NOV 01 EEC WHEAT	14	75.50	BP	1,175.00DR	
1/17/1		2		NOV 01 EEC WHEAT	14	74.25	BP	220.00DR	
2/06/1			4	NOV 01 EEC WHEAT	14	76.00	BP	1,140.00	
2/09/1			4	NOV 01 EEC WHEAT	14	77.00	BP	1,540.00	
2/13/1		2		NOV 01 EEC WHEAT	14	76.00	BP	570.00DR	
2/14/1			7	NOV 01 EEC WHEAT	14	75.50	BP	1,645.00	
2/20/1		4		NOV 01 EEC WHEAT	14	75.50	BP	940.00DR	
2/26/1			4	NOV 01 EEC WHEAT	14	74.25	BP	440.00	
3/13/1		4		NOV 01 EEC WHEAT	14	73.25	BP	40.00DR	
		23*	19*		S.P.	73.15		1,010.00	
12/01/0		2		JAN 02 EEC WHEAT	14	76.00	BP	190.00DR	
2/14/1			2	JAN 02 EEC WHEAT	14	77.35	BP	460.00	
		2*	2*		S.P.	75.05		270.00	
11/08/0		2		MAR 02 EEC WHEAT	14	73.50	BP	680.00	
2/27/1			1	MAR 02 EEC WHEAT	14	77.00	BP	10.00	
2/27/1			1	MAR 02 EEC WHEAT	14	77.25	BP	35.00	
		2*	2*		S.P.	76.90		725.00	

Account Summary

The Account Summary is the last part of the statement. From here a client can see all the financial movements per currency on their account. Below is an example of what an account summary may look like.

	** BRITISH POUNDS **	*** JAPANESE YEN ***	*** U.S. DOLLARS ***	*** SWISS FRANCS ***
BEGINNING BALANCE	760,805.27	244,097DR	71,078.04	6,068.22
COMMISSION	118.18DR	0	.00	.00
PTM LEVY	.50DR	0	.00	.00
TOTAL FEES	.50DR	0	.00	.00
GROSS PROFIT OR LOSS	34,125.00	0	.00	.00
PREMIUM / GROSS AMT	440.00DR	0	.00	.00
NET PROFIT/LOSS FROM TRADES	33,566.32	0	.00	.00
CASH AMOUNTS	149,674.40DR	0	.00	.00
ENDING BALANCE	644,697.19	244,097DR	71,078.04	6,068.22
FX/SECURITIES UNREALISED P&L	3,492.50DR	0	.00	.00
OPEN TRADE EQUITY	15,620.00DR	0	27,862.40DR	.00
TOTAL EQUITY	629,077.19	244,097DR	43,215.64	6,068.22
NET MARKET VALUE OF OPTIONS	650,391.62DR	0	92,327.50	.00
SHORT OPTION PROCEEDS	688,635.00	0	195,100.00	.00
SETTLED MKT VALUE / SEC ON DEP	2,136,273.00	0	53,656.25	.00
UNSETTLED MARKET VALUE	5,050.00	0	.00	.00
ACCOUNT VALUE AT MARKET	2,111,466.07	244,097DR	189,199.39	6,068.22
UNSETTLED BALANCE	636,154.69	244,097DR	71,078.04	6,068.22
INITIAL MARGIN REQUIREMENT	990,062.62	0	140,687.50	.00
MAINTENANCE MARGIN REQUIREMENT	990,062.62	0	135,657.50	.00
EXCESS EQUITY	1,771,795.07	0	.00	6,068.22
MARGIN DEFICIT	.00	244,097DR	43,815.61DR	.00
CURRENCY CONVERSION RATE TO BP	1.00000000	175.81649410	1.43010000	2.44590000
CONVERTED ACCOUNT VALUE AT MKT	2,111,466.07	1,388.37DR	132,298.01	2,480.98

And here is a brief explanation of each legend.

Beginning Balance:	Ending cash balance from previous business day.
Commission:	Total amount of commission charged and or rebated on statement day
Fees:	Total amount of any fees charged ie PTM Levy/Exchange fees
Gross Profit or Loss:	Total amount of purchase and sales as shown on page 6
Premium / Gross AMT:	Total amount of Option Premium or Stock settlements as shown on pages 2 & 4
Net Profit/Loss from Trades:	Total of Commission, Fees, Premium and Gross Profit or Loss
Cash Amounts:	Total amount of Journal Entries as shown on page *****
Ending Balance:	Total Cash balance for statement day. Beginning Balance + Net Profit/Loss from Trades + Cash amounts.
FX/Securities unrealised P+L:	Total amount of mark to market unsettled positions including the unsettled commissions.
Open Trade Equity:	Total Futures OTE on the open positions as shown on page *****
Total Equity:	Ending Balance plus the Open Trade Equity
Net Market Value of Options:	Total value of Option Open Positions marked to market
Short Option Proceeds:	Amount of premium paid for the short options in the Open Position. This is again a memo figure and does not affect the customers cash balance.



Settled MKT Value/Sec on Dep.:	The value of all settled security positions in the open position valued at the previous nights close.
Unsettled Market Value:	Market Value of all unsettled security positions valued at the previous nights close.
Account Value at Market:	Financial value of the account made up of FX and Securities P+L + Total Equity + Option Value + Settled MKT Value.
Unsettled Balance:	Cash balance plus the settlement value of any unsettled securities.
Initial Margin Requirement:	Amount of cash needed to sustain the current open position.
Excess Equity:	Account excess after Initial Margins.

This document is for information purposes and is not an official confirmation of terms. Nothing in this document constitutes investment advice. Investors should ensure that the products in which they invest are suitable for their circumstances and investment objectives.

Please see our website www.hythegroup.com for more information.

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