

**KEY INFORMATION DOCUMENT (“KID”) – Forex and CFD’s**
**Purpose**

This document provides you with key information about this investment 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 this product and to help you compare it with other products.

**Products**

This KID relates to Rolling Spot Forex and Contracts for Difference products, commonly known as ‘Forex’ and ‘CFDs’ respectively, provided by Clear Capital Markets, a firm authorised and regulated in the UK by the Financial Conduct Authority under Firm Reference Number: **706689**. +44 (0)20 3869 6080. The products are traded through through City Index, ETX Capital, Saxo Bank and TradeTech here on known as ‘The Platforms’.

**Alert**

You are about to enter a transaction or transactions in a product or products that are complex and thus may be difficult to understand. It is recommended you also view the Risk Warning contained on the Platform’s website.

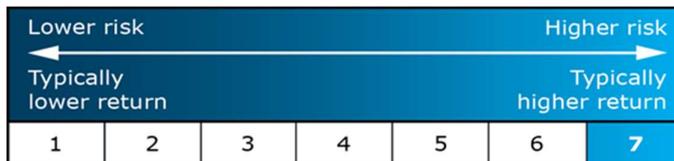
**What is this product?**

- 1. Type: Rolling Spot Forex (“Forex”)
- 2. Objective: Speculation
- 3. Intended Retail Investor: Those classified as Retail Clients under FCA rules
- 4. Insurance benefits and costs: None

- 1. Type: Contracts for Difference (“CFDs”)
- 2. Objective: Speculation
- 3. Intended Retail Investor: Those classified as Retail Clients under FCA rules
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**What are the risks and what could I get in return?**

Risk Indicator:



The Firm has 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.

Forex and CFDs are leveraged products that, due to underlying market movement, can generate losses rapidly. Although the firm provides Negative Balance Protection in accordance with FCA Rules, there is no capital protection against market risk, credit risk or liquidity risk.

Be aware of currency risk. Your profit and loss for a Forex pair is always determined in the variable currency so when you buy or sell CFDs on a Forex pair in a variable currency different to the currency of your trading account, there will

be a currency conversion. The final return you may get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Market conditions may mean that your CFD trade on a Forex is closed at less favourable price, which could significantly impact your return. We may close your open CFD contract if you do not maintain the minimum margin that is required. This process may be automated.

The scenarios shown illustrate how your investment could perform but they are not an exact indicator. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies. What you get will vary depending on how the market performs and how long you hold the CFD.

The following assumptions have been used to create the scenarios in below:

For example, if EURUSD is trading at 1.19000, this will be used for the purpose of calculating the initial investment amount. If an investor buys 1 CFDs with an initial margin of 3.3% the initial investment will be £3,927 (3.3 x 100,000 x 1.19000). The effect of leverage, in this case 30:1 (1/33.3%), means that for each 1-point change in the price of the underlying Forex pair, the value of the CFD changes by \$10.

### Performance Scenarios:

#### FX pair EURO/DOLLAR CFD (held intraday) - 1 Lot (100,000) Example

FX pair opening price:	P	1.19000
Trade size (per CFD):	TS Margin %:	Pip value \$10
Margin	M	3.3%
Margin Requirement (\$):	MR = P x TS x M	\$3927
Notional value of the trade (\$):	TN = P x 100,000	\$119,000

#### Favourable Scenario (Buy)

Client Buys 1 lot of EURUSD at 1.1000 Price moves up to 1.1150 so client closed the position and makes 100,000 x (1.1150 – 1.1000) = \$1,500. So, the client has made a profit of 30%.

#### Moderate Scenario (Buy)

Client Buys 1 lot of EURUSD at 1.1000. Price moves down to 1.0950 so client closed the position and loses 100,000 x (1.0950 – 1.1000) = - \$500. So, the client has made a loss of 10%.

#### Unfavourable Scenario (Buy)

Client Buys 1 lot of EURUSD at 1.1000. Price moves down to 1.0850 so client closed the position and loses 100,000 x (1.0850 – 1.1000) = -\$1,500. So, the client has made a loss of 30%.

#### Stress Scenario (Buy)

Client Buys 1 lot of EURUSD at 1.1000. Price moves down to 1.0700 so client closed the position and loses 100,000 x (1.0700 – 1.1000) = -\$3,000. So, the client has made a loss of 60%.

#### Favourable Scenario (sell)

Client Sells 1 lot of EURUSD at 1.1000 Price moves down to 1.0950 so client closed the position and makes 100,000 x (1.1150 – 1.0950) = \$1,500. So, the client has made a profit of 30%.

#### Moderate Scenario (Sell)

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Client Sells 1 lot of EURUSD at 1.1000. Price moves up to 1.1150 so client closed the position and loses 100,000 x (1.0950 – 1.1150) = - \$500. So, the client has made a loss of 10%.

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#### Unfavourable Scenario (Sell)

Client Sells 1 lot of EURUSD at 1.1000. Price moves up to 1.1250 so client closed the position and loses 100,000 x (1.1250 – 1.1000) = -\$1,500. So, the client has made a loss of 30%.

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#### Stress Scenario (Sell)

Client Sells 1 lot of EURUSD at 1.1000. Price moves up to 1.1400 so client closed the position and loses 100,000 x (1.1400 – 1.1000) = -\$3,000. So, the client has made a loss of 60%.

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The figures show an example of a trade including all costs of the product. If you have been sold this product by someone else or have a third party advising you about this product, these figures do not include any cost that you pay to them. The figures do not consider your personal tax situation, which may also affect your return.

#### What happens if The Platforms are unable to pay out

If The Platforms are unable to meet its financial obligations to you, you may lose the value of your investment however, we believe the Firm segregates all Retail Client funds from its own money in accordance with the UK FCA’s Client Asset Rules. The Platforms also participate in the UK’s Financial Services Compensation Scheme (“FSCS”) which covers eligible investments up to £85,000 per person, per firm. See [www.fscs.org.uk](http://www.fscs.org.uk)

#### What are the costs? – I.e., Costs over time:

One-off entry and exit costs	Spread	The difference between the buy price and the sell price is called the spread. This cost is realised each time you open and close a trade.
	Currency conversion	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.
Ongoing costs	Daily holding cost	A fee is charged to your account for every night that your position is held. This means the longer you hold a position, the more it costs.
Incidental costs	Distributor fee	We may share a proportion of our spread, commissions and other account fees with others including relevant distributors.

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

CFDs are intended for short or longer-term trading, in some cases intraday and could be suitable for long-term investments. There is no recommended holding period, no cancellation period and therefore no cancellation fees. You can open and close a CFD on Forex at any time during market hours

### How can I complain?

Please address any expressions of dissatisfaction you may have to:

THE COMPLIANCE OFFICER

Clear Capital Markets

12<sup>th</sup> Floor Broadgate Tower

20 Primrose Street

London

EC2A 2EW

Or by email to:

[compliance@clear-cm.co.uk](mailto:compliance@clear-cm.co.uk)

### Other relevant information?

If there is a time lag between the time you place your order and the moment it is executed, your order may not be executed at the price you expected. Ensure your internet signal strength is sufficient before trading. The Legal Documents section of our website contains important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account.

### RISK WARNING:

Trading on the Forex market involves substantial risks including total loss of your trading capital and may not be suitable for all investors. Investors should make an independent judgment as to whether trading is appropriate for them considering their financial condition, investment experience, risk tolerance and other factors. General information and market analysis on the Firm's website is not to be considered a solicitation to trade or construed as investment advice and products available may not be suitable for your personal financial position.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **74%\*** of Retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work, and whether you can afford to take the high risk of losing your money.

The Firm recommends that you seek independent financial advice before proceeding

\*Correct as of 22th July 2020