

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.

CFD on an FX Pair is offered by **Spreadex Limited** ("Spreadex"), a company registered in England and Wales, number 03720378. Spreadex Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom, register number 190941. Call 01727 895000 or go to www.spreadex.com for more information.

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You are about to purchase a complex product that may be difficult to understand.

What is this product?**Type**

A contract for difference ("CFD") is a leveraged contract entered into with Spreadex on a bilateral basis. It allows an investor to speculate on rising or falling prices for an underlying FX pair. FX is always traded in pairs, trading a CFD on an FX pair involves the simultaneous buying and selling of two different currencies. An FX pair quote will show both currencies, e.g. EUR/GBP, the first currency (EUR) is known as the base currency and the second (GBP) is known as the variable currency.

FX trading gives an investor the choice to buy (or go "long") the currency pair if they think the price of the base currency will rise in relation to the variable currency, or alternatively to sell (or go "short") the currency pair if they think that the price of the variable currency will rise in relation to the base currency.

For instance, if an investor is long on EUR/GBP CFD and the price of the underlying FX pair rises, the value of the CFD will increase - at the end of the contract Spreadex will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if an investor is long and the spot price of the underlying FX pair falls, the value of the CFD will decrease - at the end of the contract they will pay Spreadex the difference between the closing value of the contract and the opening value of the contract. The leverage embedded within all CFDs has the effect of magnifying both profits and losses.

The current ("spot") prices we offer to you are derived from prices sourced from major liquidity providers to the OTC FX and bullion market. The forward ("future") prices we offer to you are derived from underlying on-exchange Futures price data.

Objectives

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying FX pair (whether up or down), without actually needing to buy or sell the underlying FX pair. 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 and is one of the key features of trading CFDs.

By way of example, EUR/GBP is trading at 0.84950 / 0.84960, and for the margin calculation the mid-price of 0.84955 will be used. If an investor buys 50,000 EUR with an initial margin amount of 0.2%, the initial investment will be £84.96 ($0.002 \times 50,000 \times 0.84955$), which demonstrates the effect of leverage of, in this case 500:1 ($1 / 0.002$). This means that for each 1 point change in the price of the underlying FX pair so the value of the CFD changes by £5. For instance, if the investor is long and the market increases in value, a £5 profit will be made for every 1 point increase in that market. However if the investor is short, a £5 loss will be incurred for each point the market decreases in value.

The spot CFD does not have a pre-defined maturity date and is therefore open-ended. There is no recommended holding period and it is down to the discretion of each individual investor to determine the most appropriate holding period based on their own individual trading strategy and objectives.

Failure to deposit additional funds in the case of negative price movement may result in the CFD being auto-closed. We will attempt to liquidate your positions if the value of your account falls to zero (or any pre-agreed credit limit).

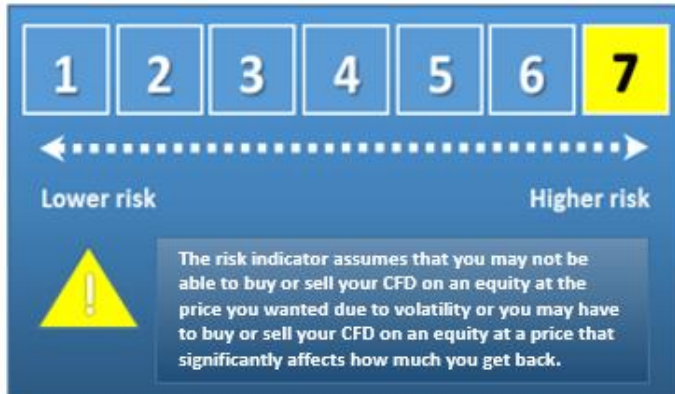
Spreadex also retains the ability to unilaterally terminate any CFD contract where it deems that the terms of the contract have been breached.

Intended Retail Investor

CFDs are intended for investors who have knowledge of, or are experienced with, leveraged products. Likely investors will have some understanding of how the prices of options are derived, the key concepts of margin and leverage and the fact that losses may exceed deposits. Indeed, they will understand the risk/reward profile of the product compared to traditional share dealing. Investors will also have appropriate financial means and the ability to bear losses in excess of the initial amount invested.

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

Risk indicator



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.

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. Losses can exceed the amount invested and you may be required to deposit additional funds. There is no capital protection against market risk, credit risk or liquidity risk. **Be aware of currency risk.** Your profit and loss for an FX pair is always determined in the variable currency so when you buy or sell CFDs on an FX 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.

In some circumstances, you may be required to make further payments to pay for losses. **The total loss you may incur may significantly exceed the amount invested.**

Market conditions may mean that your CFD trade on an FX pair is closed at less favourable price, which could significantly impact how much you get back. We may close your open CFD contract if you do not maintain the minimum margin that is required, if you are in debt to the company, or if you contravene market regulations. This process may be automated. This product does not include any protection from future market performance so you could lose some or all of your investment. This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section "what happens if we are unable to pay you"). The indicator shown above does not consider this protection.

Performance Information

A CFD is a leveraged financial derivative that follows the price of an underlying financial market. A CFD will make gains or incur losses as a result of price movements in the underlying asset. A CFD will be quoted with a buy price and a sell price, with the difference being the spread fee. Spreads will affect the returns of your investment. The price of an option CFD may be affected by factors such as its strike price, volatility of the market, the remaining time until expiration and the price of the underlying instrument.

What happens if Spreadex Limited is unable to pay out?

If Spreadex is unable to meet its financial obligations to you, you may lose the value of your investment. However Spreadex segregates all retail client funds from its own money in accordance with the UK FCA's Client Asset rules. Spreadex also participates 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.

What are the costs?

Trading a CFD on an underlying FX pair incurs the following costs:

This table shows the different types of cost categories and their meaning			
Forward & Spot	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 to your account.
Spot Only	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.

How long should I hold a CFD on an FX pair and can I take my money out early?

CFDs are intended for short-term trading, in some cases intraday and are generally not 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 an FX pair at any time during market hours.

How can I complain?

If you wish to make a complaint, you should contact our Customer Services Team on 01727 895000, by emailing info@spreadex.com or in writing to Spreadex Limited, Churchill House, Upper Marlborough Road, St Albans, Hertfordshire, AL1 3UU. If you do not feel that your complaint has been resolved satisfactorily, you may refer your complaint to the Financial Ombudsman Service (FOS). See www.financial-ombudsman.org.uk for further information. If your complaint is about an advisory or discretionary manager acting on your account, please contact the firm providing the service.

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 (improve or get worse). Ensure your internet signal strength is sufficient before trading.

The [terms & policies](#) 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. For retail clients, a mandatory margin close-out rule is applied on an account level basis. This means that when the value of your account (i.e., the net profit and loss, any deposited margin and any other funds) falls below 50% of the initial margin requirement (that was paid to enter into all of the open CFD and/or spread bet positions at any point in time), one or more of your CFD and/or spread bet positions will be closed out. We may set a higher percentage than 50%.

Retail clients who trade leveraged CFDs and spread bets have the benefit of negative account balance protection. Where this is the case, your liability will be limited to the funds in your account (which includes any funds that are not required to be maintained as margin to keep your positions open, regardless of whether those positions relate to this product). You should ensure that you read the General Terms, including Risk Warning, Order Execution Policy and more which can be found in the Terms and Policies section of our website <https://www.spreadex.com/financials/terms-and-conditions/>. Such information is also available on request.