

Monecor (Europe) Limited (formally named Minden Investments and Insurance Advisers and Sub Agents Limited)
Key Information Document – CFD on an Equity and on Indices

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.

CFDs are provided by **Monecor (Europe) Limited**, (formally named Minden Investments and Insurance Advisers and Sub Agents Limited) authorised by the Cyprus Securities and Exchange Commission (“CySEC”) under license number 096/08. Call 00357 22 150666 or go to www.etxcapital.com for more information.

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You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

A contract for difference (“CFD”) is a leveraged contract entered with Monecor (Europe) Limited that allows an investor to speculate on rising or falling prices in the underlying asset.

An investor has the choice to buy (or go “long”) the CFD to benefit from rising equity/indices prices; or to sell (or go “short”) the CFD to benefit from falling equity/indices prices. The price of the CFD is derived from the price of the underlying equity/index price. For instance, if an investor is long on ABC Company CFD and the price of the underlying equity/index rises, the value of the CFD will increase - at the end of the contract Monecor (Europe) Limited 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 price of the underlying equity/index falls, the value of the CFD will decrease - at the end of the contract they will pay Monecor (Europe) Limited 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.

Objectives

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying equity/index (whether up or down), without actually needing to buy or sell the underlying equity/index. The exposure is leveraged since the CFD only requires a 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.

The 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.

Monecor (Europe) Limited also retains the ability to unilaterally terminate any CFD contract where it deems that the terms of the contract have been breached.

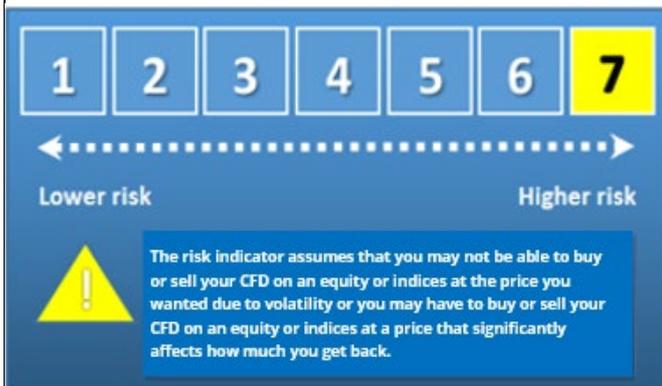
For more information and examples please see the Monecor (Europe) Limited website.

Intended Retail Investor

CFDs are intended for investors who have knowledge of, or experience with, leveraged products. Likely investors will understand how the prices of CFDs are derived, the key concepts of margin and leverage, and that losses may exceed deposits. They will understand the risk/reward profile of the product compared to traditional share dealing, and desire short-term, high-risk exposure to an underlying asset. Investors will also have appropriate financial means, hold other investment types and have 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.

In times of high volatility or market/economic uncertainty, values may fluctuate significantly and adversely affect the client's positions. In addition, it should be emphasized that such fluctuations are even more significant in case of leveraged positions. The risks included in this paragraph are non-exhaustive and that a comprehensive description of the risks involved can be found on the CIF's Risk Disclaimer document.

Be aware of currency risk. It is possible to buy or sell CFDs on an equity/index in a currency which is different to the base currency of your account. 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.

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

Market conditions may mean that your CFD trade on an equity/index 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.

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 "what happens if we are unable to pay you"). The indicator shown above does not consider this protection.

Performance scenarios

The scenarios shown illustrate how your investment could perform but 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 Table 1:

For example if an investor buys 10,000 Shares of Barclays CFD with an underlying equity price of 205p and an initial margin amount of 20%; the initial investment will be £4100 $((205p \times 10,000)/100 \times 20\%)$, when using the price in pence the equation would be $((P \times TS)/100 \times M)$. It has a notional value of the contract of £20,500 $((205p \times 10,000)/100)$. This means for every 1p change in the market price the underlying value of the position changes by £100. If the investor is long and the market increases in value, a £100 profit is made for every 1 point increase in the market. If the market decreases in value, a point decrease in value in the market will lead to a £100 loss.

Equity CFD (held intraday)		
Equity opening price:	P	205p (£2.05)
Trade size (per CFD):	TS	10,000 shares
Margin %:	M	20%
Margin Requirement (£):	$MR = (P \times TS) \times M$	£4100
Notional value of the trade (£):	$TN = (P \times TS)$	£20,500

Table 1

LONG Performance Scenario	Closing Price (Inc. Spread)	Price Change	Profit/Loss	SHORT Performance scenario	Closing Price (inc. spread)	Price Change	Profit/Loss
Favourable	208.075	1.5%	£307.5	Favourable	201.925	-1.5%	£307.5
Moderate	206.025	0.5%	£102.5	Moderate	206.025	-0.5%	£102.5
Unfavourable	201.925	-1.5%	-£307.5	Unfavourable	208.075	1.5%	-£307.5
Stress	194.75	-5%	-£1025	Stress	215.25	5%	-£1025

The figures shown an example of a trade include all the costs of the product itself. 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 take into account your personal tax situation, which may also affect how much you get back.

For more information and examples please see the Monecor (Europe) Limited website.

What happens if Monecor (Europe) Limited is unable to pay out?

For CFDs, in case of our financial default you may seek compensation from the Investor Compensation Fund ("ICF") of Cyprus Investment Firms. The 90% of the cumulative covered claims of the covered investor, or the amount of €20.000, whichever is lower. ICF Rules apply, including with respect to your categorization and eligibility. In general, retail clients are covered by the ICF.

What are the costs?

Trading a CFD on an equity/indices incurs the following costs:

This table shows the different types of cost categories and their meaning		
One-off entry and exit costs	Spread	Monecor (Europe) Limited only charges a market spread.
	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.
	Commission	You will be charged a commission on each trade.
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 from time to time where permitted by applicable law share a proportion of our spread, commissions and other account fees with other persons including a distributor that may have introduced you.
<p>Tax Considerations</p> <p>As a trader, all profits are deemed as taxable income. You are then taxed on profits at your marginal tax rate. Monecor (Europe) Ltd does not provide yearly tax statements or any information about tax. For further tax considerations, please consult your financial adviser or tax consultant.</p>		
<p>How long should I hold it and can I take money out early?</p> <p>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 an equity and on indices at any time during market hours.</p>		
<p>How can I complain?</p> <p>If you wish to make a complaint, you should contact our Client Management Team on 00357 22 150666, by emailing enquiries@etxcapital.com or in writing to Mezzanie Floor, 62 Athallas Avenue, Strovolos 2012, Nicosia, Cyprus. If you do not feel that your complaint has been resolved satisfactorily, you can refer your complaint to the Financial Ombudsman of the Republic of Cyprus. For more information please visit http://www.financialombudsman.gov.cy. Alternatively, you may submit your complaint to the CySEC at http://www.cysec.gov.cy/en-GB/complaints/how-to-complain/ or other competent authorities. You may refer to the relevant Cypriot Courts or Alternative Dispute Resolution (ADR) mechanisms. For further clarifications please refer to our Complaints Handling Policy. Please note that complaints submitted to CySEC are taken into consideration by the CySEC in the performance of its supervisory mandate.</p>		
<p>Other relevant information</p> <p>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.</p> <p>The Terms and 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.</p>		