Key Information Document
CFD on an Interest Rate

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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 (London) Ltd**, a company registered in England and Wales, number 00851820. ETX Capital is a trading name of Monecor (London) Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, register number 124721.

Call 0800 138 4582 or go to www.etxcapital.com for more information. This document was created/last updated on August 24th, 2018.

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

What is this product?

A contract for difference ("CFD") is a leveraged contract entered with ETX Capital that allows an investor to speculate on rising or falling prices in an underlying interest rate.

The price of the CFD is derived from the price of the underlying interest rate market. For instance, if an investor is long an interest rate CFD and the price of the underlying interest rate market rises, the value of the CFD will increase - at the end of the contract ETX Capital 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 interest rate market falls, the value of the CFD will decrease - at the end of the contract they will pay ETX Capital the difference between the closing value of the contract and the opening value of the contract. An interest rate CFD futures contract has a pre-defined expiry date – a date upon which the contract either automatically closes or must be rolled into the next period. 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 interest rate (whether up or down), without actually needing to buy or sell the underlying interest rate. 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.

A future CFD has a pre-defined expiry date. As a result, 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. This will occur when losses exceed the initial margin amount. In the case of future CFDs, investors will be given the option to roll their existing contract into the next period – i.e., from a January expiry into a February expiry. Rolling is at the discretion of the investor but failure to do so will result in the CFD being auto-closed at the expiry date. ETX Capital 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 ETX website.

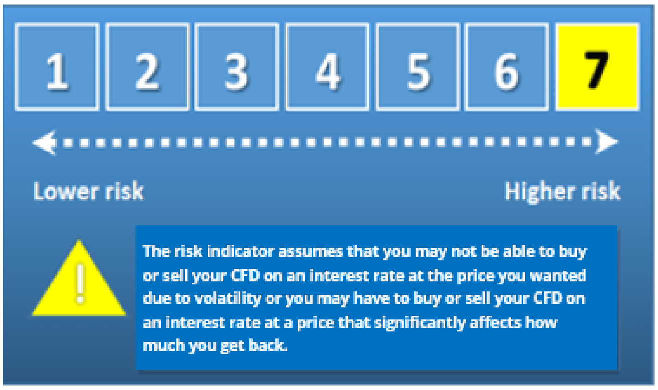
Intended Retail Investor

CFDs are intended for investors who have knowledge of, or are experienced with, leveraged products. Likely investors will understand how the prices of CFDs 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. It is possible to buy or sell CFDs on an interest rate 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.

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 interest rate is closed at a 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 the section “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. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. 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: An investor buys 10 CFD of Euribor with an initial margin of 20% and an underlying interest rate with a price of 100.335. The initial investment will be €20067 (20% x 10 x 100.335)*100. The notional value of the contract is €100,335 (€10 x 100.335 x 100). This means that for every hundredth decimal point change equals a 1 euro change.

Interest Rate CFD (held intraday)		
Opening price:	P	100.335
Trade size:	TS	10
Margin %:	M	20%
Margin Requirement (£):	MR = (P x TS) x M	€20067
Notional value of the trade (£):	TN = P x TS	€100,335

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	101.840	1.5%	€1505	Favourable	98.830	-1.5%	€1505
Moderate	100.837	0.5%	€502	Moderate	100.837	-0.5%	€502
Unfavourable	98.830	-1.5%	-€1505	Unfavourable	101.840	1.5%	-€1505
Stress	95.318	-5%	-€5016.75	Stress	105.352	5%	-€5016.75

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 ETX website.

What happens if ETX Capital is unable to pay out?

If ETX Capital is unable to meet its financial obligations to you, you may lose the value of your investment. However ETX Capital segregates all retail client funds from its own money in accordance with the UK FCA's Client Asset rules. ETX Capital also participates in the UK's Financial Services Compensation Scheme (FSCS) which covers eligible investments up to £50,000 per person, per firm. See www.fscs.org.uk.

What are the costs?

Trading a CFD on an underlying interest rate incurs the following costs:

This table shows the different types of cost categories and their meaning		
One-off entry or 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.
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.
Other costs	Rollover costs	We charge you to roll over a futures contract into the next month or quarter, equal to half the applicable spread to open and close a trade.

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

CFDs are intended for short term trading, in some cases intraday and are generally not suitable for longer term investment. There is no recommended holding period, no cancellation period and therefore no cancellation fees. You can open and close a CFD on an interest rate at any time during market hours.

How can I complain?

If you wish to make a complaint, you should contact our Client Management Team on 0800 138 4582, by emailing customer.service@etxcapital.com or in writing to One Broadgate, London EC2M 2QS. 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. Ensure your internet signal strength is sufficient before trading.

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.