Key Information Document – CFD on Metals

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.

Product

This CFD on Metals is offered by **Indication Investments Ltd,** ("Company", "we" or "us), which is authorised and regulated by the Cyprus Securities and Exchange Commission, with license number 164/12.
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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

This investment product is a Contract for Differences ("CFD"). A CFD is an Over the Counter ("OTC") leveraged financial instrument and its value is determined based on the value of an underlying asset. The investor makes a profit or a loss on the CFD based on the direction chosen (Buy or Sell) and the direction of the value of the underlying asset. The CFD is settled in cash only and the investor has no rights whatsoever on the actual underlying asset.

Objectives

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying market (whether up or down), without actually needing to buy or sell the underlying market. 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. In the case of currencies, the prices are determined in interbank transactions whereby banks will quote each other prices of one currency against another currency. Prices of this specific investment product may be obtained either by liquidity providers who obtain such prices from market data aggregators or directly from market data aggregators who collect data from interbank transactions producing a market price for each currency against another currency. The market for most currencies is open 24 hours a day, 5 days a week from Sunday at 23:00 CET until Friday 22:00 CET. For specific trading hours please check Instruments Specifications page (available at www.libertex.com).

The profit or loss is determined according to the following formula:
For Buy (Long) positions: Deal size (in units of base asset) x [Close Bid – Open Ask] = P/L (in units of the other asset)
For Sell (Short) positions: Deal size (in units of base asset) x [Open Bid – Close Ask] = P/L (in units of the other asset)
The P/L from the closed positions is then converted into the base currency of the investor's account, if different. This is done on the basis of the relevant Bid/Ask rate of the two currencies at the time the position is closed.

The P/L is also affected by the fees charged by Indication Investments Ltd, as detailed further.

The P/L is calculated by, and shown on, the trading platform on a continuous basis, and losses on the positions will affect the investor's margin. Should the investor's equity reach 50% of margin required the Company's trading system will automatically start closing the investor's positions. Therefore, it is important to maintain such level of margin to support the investor's open positions. It shall be noted that under abnormal market conditions, CFDs may fluctuate rapidly to reflect unforeseeable events that cannot be controlled either by the Company or the Client. As a result the Company cannot guarantee automatic stop-out at 50% of required margin during abnormal market conditions.

Intended Retail Investor

CFDs are intended for investors who wish to make directional transactions and take advantage of short term price movements in the rates of currencies and have the ability to sustain the risk of loss of their entire investment amount within a short period of time. Those investors have knowledge of, or are experienced with, leveraged products and have a full understanding on how the prices of CFDs are derived as well as the key concepts of margin and leverage.

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

Risk indicator

1	2	3	4	5	6	7

Low Risk ⟷ High Risk

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.

This risk indicator assumes that you keep the product for up to 24 hours. You may not be able to end the product easily or you may have to end at a price that significantly impacts the return on your investment. CFDs may be affected by slippage or the inability to end the product at a desired price due to unavailability of such price in the market. CFDs are OTC products and cannot be sold on any exchange, MTFs or other trading venue. There is no capital protection against market risk, credit risk or liquidity risk.

The risks and complexity of CFDs mean that they are unlikely to meet the investment needs and objectives of many retail investors. If you trade CFDs, be aware that you are risking potentially high losses of your capital. Trade only with money you can afford to lose, and only after you have fully acknowledged and accepted the risks involved. However, the total loss you can incur will never exceed the invested amount. The Company provides a negative balance protection, which is a CySEC regulatory requirement.

This product does not include any protection from future market performance **so you could lose part or all of your investment.**

Performance scenarios (assuming no Swap effects):
The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. 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 stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

The following assumptions have been used to create the scenarios in Table 1:

Long CFD position on GOLD (held intraday)

Opening Price: P	1500.00
Investment amount: IN	1 000
Multiplier: M	10
Total Exposure: IN*M	10 000

Table 1

Long Performance Scenario	Closing price	Price change	Profit/loss	Return on Investment
Favourable	1522.50	1.50%	€150	15%
Moderate	1507.50	0.50%	€50	5%
Unfavourable	1477.50	-1.50%	(€150)	-15%
Stress	1425.00	-5.00%	(€500)	-50%
Extreme	1350.00	-10.00%	(€1000)	-100%

This table illustrates an example of potential profit and loss outcome from investing 1 000 with a multiplier of 10.
The loss is restricted to your account balance as we offer negative balance equity protection.

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes. Actual returns could be lower.

What happens if Indication Investments Ltd is unable to pay out?

In the event that Indication Investments Ltd becomes insolvent and is unable to pay out to its investors, Retail Clients may be eligible to compensation of up to €20,000 by the Investor Compensation Fund set up by the Cyprus Securities and Exchange Commission.

What are the costs?

Depending on the product you trade, you may incur some or all of the following costs: The following table shows the different types of cost categories and their meaning:

One-off entry costs	Commission charge	We charge you a small % fee each time you open a CFD trade.
Ongoing costs	Daily swap cost	A fee is charged to your account for each night that your position is held. This means the longer you hold a position more it costs.
Other costs	Rollover costs	We charge you to roll over a futures contract into the next month, or quarter, equal to the spread to open and close a trade. Please refer to the example available in the Specifics of Trading Operations Execution document for more information.
	Margin Adjustment	Margin Adjustment will be charged only when the Client Trading Account currency is different than the quoted currency of the underlying asset. Margin Adjustment is up to a maximum of 0.3% and it will be applied to the opening and closing of the trade. The fee will be realised and reflected once the Position is closed. Please refer to the example available in the Specifics of Trading Operations Execution document for more information.

Detailed information on each instrument costs and specifications can be found here.

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 long-term investments. There is no recommended holding period and no cancellation period. You can open and close a CFD at any time during market hours, but it may not be at a price beneficial to you or your investment goals.

How can I complain?

Any query and/or concern and/or issue you may have in respect of the services provided by us under the Client Agreement should be made in writing and addressed to the Customer Support Department via the "Feedback" page on our Website. Should you wish to submit an official Complaint for your account or your dealings with the Company, please find more information on how to proceed here.
If you do not feel your complaint has been resolved satisfactorily, you are able to refer your complaint to the Cyprus Financial Ombudsman Service. See http://www.financialombudsman.gov.cy for further information.

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. The Trading Terms & Conditions as well as all related Policies and other Disclosure Documents 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. This key information document does not contain all information relating to the product. For other information about the product and the legally binding terms and conditions of the product, please refer to www.libertex.com