

Key Information Document – CFD on Forex

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

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. Please visit our website for the precise percentage 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.

Product

This CFD on Forex 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.

Website: www.libertex.com Email: info@libertex.com Telephone number: +35722025100

This document was created/ last updated on January 2022.

What is this product?

Type

An Over the Counter (“OTC”) Derivative Contract for Difference (“CFD”) - Forex CFD.

Objective

A Forex CFD is not a listed instrument but is traded as an over the counter contract between you and Indication Investments Ltd.

A Forex CFD enables you to have exposure to price movements on the underlying currency pair (the base currency and the quote currency). A Forex CFD is an agreement between you and Indication Investments Ltd to exchange the difference in price of the underlying over a period of time. The difference to be exchanged is determined by the change in the reference price of the underlying. Thus if the underlying rises in price, and you are long CFD, you receive cash from Indication Investments Ltd and vice versa. A Forex CFD can be bought long or sold short to suit your view of market direction in the future.

A Forex CFD is a leveraged product that requires you to deposit a smaller amount of cash as margin rather than paying the full value of your exposure. The level of leverage depends on the margin requirement for the individual Forex CFD. You will pay an initial margin upfront when the position is opened. For retail investors, the European Securities and Markets Authority (ESMA) mandates a minimum initial margin of 20% of the notional value of the Forex CFD and requires Indication Investments Ltd to liquidate open positions if the qualifying equity (CFD cash and unrealized CFD P&L) in your CFD account falls below 50% of the initial margin requirements for all CFD positions. In addition, Indication Investments Ltd establishes house-margin requirements based on historic volatility of the underlying, and other factors, and will apply the house-margin requirement if it is higher than the ESMA requirement.

Intended Retail Investor

This product is intended for investors who want to gain exposure to the underlying currency pair (the base currency and the quote currency) and who understand that by holding this instrument they receive exposure to the underlying asset on a leveraged basis and may lose more than the initial margin deposited to open the position. Note however that ESMA prescribes those losses reported by a retail investor cannot in aggregate exceed the funds invested in a retail CFD account. By way of example, you deposit €10,000 in your retail CFD account and open a long position with a notional value of €20,000. The initial margin paid to open the position is €4,000. If the position loses 60% of its initial value and it is closed-out, you will have reported a loss of €12,000. The loss will consume your entire account equity, but, as a retail investor, you will not have to pay Indication Investments Ltd the negative balance of €2,000.

Insurance Benefits: None

Term

There is no predetermined investment holding period or contract expiration implicit in this instrument - it is an open-ended investment to be bought and sold at your discretion. Please consult the Indication Investments Ltd website for trading times.

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

Risk indicator

1	2	3	4	5	6	7
---	---	---	---	---	---	---



← Lower Risk Higher 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 at a very high level in poor market conditions. **Be aware of currency risk. When you deal in a CFD that is denominated in a currency other than the base currency or a currency you have on a deposit in your account with us, all margins, profits, losses and financing credits and debits in relation to that CFD are calculated using the currency in which the CFD is denominated. This risk is not considered in the indicator shown above.** In some circumstances, if your account does not contain enough equity to meet applicable margin requirements your open positions will be liquidated. **The total loss you may incur may significantly exceed the initial margin requirement but cannot exceed the equity in your retail CFD account.** You may not be able to close your position easily or you may have to sell at a price that significantly impacts your realized profit/loss. Markets may fall overnight, and we may not be able to close out your position at a price that would avoid losses greater than the margin originally deposited. In addition, if Indication Investments Ltd is not able to pay you what is owed, you could lose your entire investment.

Performance scenarios

Scenarios (assuming a Long 1,000 EURO investment in AUDUSD held for 4 Weeks with multiplier 20)		Low Volatility	Medium Volatility	High Volatility
Stress Scenario	What you might get back after costs (investment plus profit/loss)	€336	€186	€6
	Return at the end of the month	-65%	-80%	-98%
Unfavorable Scenario	What you might get back after costs (investment plus profit/loss)	€736	€636	€486
	Return at the end of the month	-25%	-35%	-50%
Moderate Scenario	What you might get back after costs (investment plus profit/loss)	€1036	€1086	€1136
	Return at the end of the month	5%	10%	15%
Favourable Scenario	What you might get back after costs (investment plus profit/loss)	€1486	€1586	€1786
	Return at the end of the month	50%	60%	80%

The scenarios shown illustrate how your investment could perform. The stress scenario shows what you might get back in extreme market circumstances. You can compare them with the scenarios of other products. The volatility of the underlying is an important factor; we have illustrated the possible performance with low, medium or high volatility.

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 keep the product, and importantly whether or not you have sufficient funds in your account to sustain the losses depicted. Indication Investments Ltd will automatically liquidate positions if the equity in the account is insufficient to meet margin requirements.

The figures shown include all the costs of the product itself but do not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. Opening a long position holds that you think the underlying price will increase, and opening a short position holds that you think the underlying price will decrease.

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?

The Reduction in Yield ("RIY") shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amount shown here are cumulative costs of the product itself for an estimated holding period of 4 weeks. The figures assume you invest €1,000 for a €20,000 notional value. The figures are estimates and may change in the future.

Costs Over Time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Estimated Holding Period	4 Weeks
Investment	€1,000
Notional Amount	€20,000
Total Costs	€14
Impact on Return	-1.4%

Composition of Costs

The table below shows:

- The impact each year of the different types of costs.
- What the different cost categories mean.

This table shows the impact on return per year			
One-off costs	Entry costs	0.002%	Brokerage Commissions. This is the most you will pay, and you could pay less.
	Exit costs	0.002%	Brokerage Commissions. This is the most you will pay, and you could pay less.
Ongoing costs	Portfolio Transaction costs	0%	Not Applicable
	Other on-going costs	-0.0023% (per night)	Financing costs. Paid overnight on the notional amount.
Incidental costs	Performance fees	0%	Not Applicable
	Carried interest	0%	Not Applicable

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

Recommended (required minimum) holding period: None

There is no recommended holding period or minimum holding period. There are no consequences of you choosing to close your position other than ending your exposure to the underlying at that time. Early termination may occur in the event your account has insufficient funds to support the margin requirement for your position, as a consequence of certain corporate actions, or if Indication Investments Ltd for other reasons decides to discontinue the CFD, or if Indication Investments Ltd were to become insolvent.

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