KEY INFORMATION DOCUMENT – CFD on an index

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

Product name Contract for Difference ("CFD") on an index.
Product manufacturer City Credit Capital (UK) Limited ("CCC"), authorised and regulated by the Financial Conduct Authority in the United Kingdom, FCA registration number 232015.
Further information You can find more information about CCC's products in our product list, our Market Information sheet and the education and research area of our website https://www.cccapital.co.uk or by calling **+44(0)2076144614**. This document was last updated on 1 January 2018.

Alert **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) on an index is a leveraged contract entered into between the client and CCC that allows the client to speculate on the price movement in an underlying index. Index trading involves buying (known as going "long") or selling (known as going "short") an index and can be traded on the current price, "spot" or on a forward, "future" price. The price of the CFD is derived from the price of the underlying index futures price. Index CFD trading gives an investor the choice to buy the index CFD if they think the price of the underlying index will rise in value or to sell the index CFD if they think that the price of the underlying index will fall. As an example, if a client is long of the CCC UK100 spot index contract and the price of the underlying index rises, the value of the CCC UK100 spot index contract will increase. When the contract is closed CCC will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if a client is long of the CCC UK100 spot index contract and the price of the underlying index falls, the value of the CCC UK100 spot index contract will decrease. When the contract is closed the client will pay CCC the difference between the closing value of the contract and the opening value of the contract. A CFD referencing the underlying index future price works in exactly the same way as a spot contract except that future contracts have a pre-defined expiry date – a date upon which the contract will either be automatically closed or can be rolled over into the next period. Index CFDs are a leveraged product which magnifies both profits and losses.

Objectives

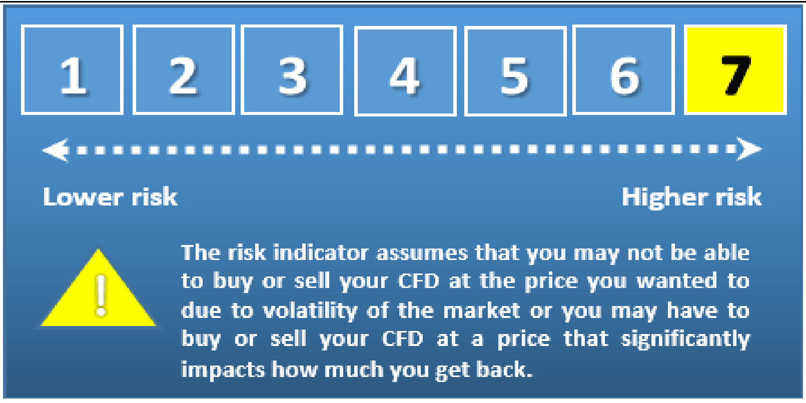
The objective of the CFD is to allow clients to gain leveraged exposure to the movement in the value of the underlying index without actually needing to buy or sell the underlying index. The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be available upfront as the initial or necessary margin. Leverage or trading on margin is one of the key features of trading CFDs.
As an example, UK100 spot index CFD is trading at 7049 / 7051. If a client buys 1 standard contract (£10*Index Price) with a necessary margin of 1% the initial investment will be £705.10 (£10*7051*1*1%). Leverage is the ratio of the margin required to open the position against the notional trade value. 1% margin would be 100:1 leverage. The notional value of the contract, in this case £70510, means that for each 1 point change (1.0) in the price of the underlying index the value of the Index CFD changes by £10. If the client is long 1 standard contract of UK100 spot Index CFD and the market increases in value, a £10 profit will be made for every 1 point increase in that market above the level the client bought the contract. If the investor is short, a £10 loss will be made for each point the market decreases in value below the level the client bought the contract.

Term

A spot or rolling spot CFD does not have a maturity date and is therefore open-ended, whereas a future CFD does have a pre-defined expiry date. For CFDs that have an expiry date; clients can roll their existing contract into the next period by closing the open position in one expiry and opening a new position in the next expiry – e.g., from a March expiry into a June expiry., this can be done via the platform. CCC retains the right to unilaterally terminate any CFD contract where it deems that the terms of the contract have been breached.

Intended retail investor

CFDs are not appropriate for everyone, they are intended for investors who have knowledge of, or are experienced in, the trading of leveraged products and have a high-risk tolerance. Investors will understand how the prices of CFDs are derived from the underlying instrument; the key concepts of margin and leverage; and the fact that losses may exceed deposits. They will understand the risks of the product compared to dealing in traditional cash (fully paid) products. Clients will also have the appropriate financial means to cover any 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 these products 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 these products as 7 out of 7, which is the highest risk class. 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.

CFD trading requires you to maintain a certain level of funds in your account to keep your positions open. This is called margin. Trading CFDs allows you to open a position by depositing only a small portion of the notional value of the position, this creates a leveraged position. Leverage can significantly magnify your gains and losses as products that are traded on margin carry **a risk of losses in excess of your deposited funds**.

Margin is cash required as collateral to open and to maintain open positions. It is not a fee or a transaction cost. Necessary (Initial) Margin amounts are either determined by taking a percentage of the notional trade size or as a fixed amount per contract, this depends on your account type and can be viewed in the product list via the platform or the website or the relevant Market Information Sheet for your account type. Margins can be increased temporarily prior to major market events or in response to increased volatility in the markets. If the equity available on your account falls below the required margin you are required to deposit additional funds in order to meet the required margin necessary to maintain your open positions. If the effective margin as a percentage of necessary margin falls below the required thresholds set out in the Terms of Business or the Market Information Sheet then all or some of your open positions will be liquidated.

CCC takes all sufficient steps to provide clients with best execution and to fill orders at the requested rate, however there are occasions where due to volatility, liquidity, latency and other market events that orders may be subject to slippage. Slippage is more common during market hours when there is low liquidity, during the publication of economic figures or when news events occur. During events like these the size of your order, the type of order or any specific instructions can impact the execution of your order. CCC's CFDs including Index CFDs are not listed on any exchange and pricing will vary from each CFD provider, CFDs are an "Over the Counter" product where the price and contract conditions including the execution policy are set by CCC. Our CFDs can only be closed with CCC and are not transferable to another CFD provider.

Be aware of currency risk. The contract currency of a CFD may vary from the base currency of your account. The final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

This product does not include any protection from future market performance so you could lose some or all of your investment. If CCC is unable 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

Each instrument has a different pip or point cost, the value risked for each change of a certain price digit. You are responsible for choosing the instrument, the size or risk of the order, when you open and close and any risk management tools like stop loss orders you use. The table shows potential profit and loss under different scenarios; each scenario represents an estimate of future performance and is not an exact indicator. Your return both negative and positive will vary depending on how the market performs and how long you hold the CFD. The stress scenario does not take into account the situation where we are not able to pay you.

The scenarios in Table 1 assume your account base currency is USD and you choose to open a position at a price of 24780 in an index CFD for 1 standard lot (a notional value of 10*index price). This particular index has a point cost of $10 per 1 whole index point with the point being the digit before the decimal point, meaning the profit or loss is $10 per 1.0 movement in the price. The table does not include overnight financing costs as the trade is opened and closed in the same day. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Table 1

Long Performance Scenario	Closing Price (inc. Spread)	Price Change pips	Profit/Loss	Short Performance Scenario	Closing Price (inc. Spread)	Price Change pips	Profit/Loss
Favourable	24830	50	**$500**	Favourable	24730	-50	**$500**
Moderate	24805	25	**$250**	Moderate	24755	-25	**$250**
Unfavourable	24730	-50	**$-500**	Unfavourable	24830	50	**$-500**
Stress	24670	-110	**$-1100**	Stress	24890	110	**$-1100**

What happens if CCC is unable to pay out?
If CCC is unable to meet its financial obligations to you, you could lose the value of your investment. CCC segregates all retail client funds from its own money in accordance with the FCA's Client Asset rules. CCC 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?

This table shows the different type of costs involved when you trade a CFD on an underlying index		
One Off 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 position.
	Currency Conversion	Items such as financing and realised profits and losses and any adjustments denominated in a currency that is not the base currency of your account will be converted to the base currency of your account.
Ongoing Costs	Financing - Spot Only	Interest is paid or earned each night you hold an open position, for CFDs it is based on the notional value of the position and the 3 month LIBOR rates. Financing charges can add a significant extra cost or profit to your trade. The upcoming financing cost or interest rate can be viewed in the product view window of the platform. To account for holding an open position over the weekend 3 days financing costs are normally charged on a Friday.
	Dividends - Spot Only	Index CFDs are based on an index that constitutes a basket of stocks that may pay dividends. When a dividend is paid on a stock, the value of the stock will drop and therefore so must the index that the stock is a constituent of. Short positions will gain from this drop in price and long positions will lose from the drop in price. Dividend adjustments are applied on spot index instruments to negate the impact from the drop in the price of the index due to dividends being paid.
For more details on our charges including spreads please refer to the Market Information sheet for your account type		

How long should I hold it and can I take money out early?
There is no recommended holding period for a CFD and it is up to the client to decide when to open and close the position based on their own trading objectives. You can close your contract at any time during market hours. There are no penalties or cancellation fees when closing a position.

How can I complain?
If you wish to make a complaint, you should contact our Compliance Team on 02076144600, by emailing compliance@cccapital.co.uk or in writing to Compliance Team, City Credit Capital (UK) Limited, 12th floor, 110 Bishopsgate, London EC2N 4AY. If you are still unhappy with our efforts to settle your complaint, you are able to refer your complaint to the Financial Ombudsman Service (FOS). See www.financial-ombudsman.org.uk for further information.

Other relevant information
You should ensure you read our Terms and Conditions, the Order Execution policy, the Risk Disclosure Statement, the Appropriateness Questionnaire and our Product List. The Market Information Sheet contains more detailed information on charges, spreads, expiries and other relevant details on all our products.