

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: CFDs on an Index

Product manufacturer: IGM Forex Ltd (IGMFX), authorised and regulated by the Cyprus Securities and Exchange Commission (CySEC) with CIF licence number 309/16. Call +357 25 252 371, or go to www.igmfx.com for more information.

This document was last updated in September 2024.



RISK WARNING: You are about to purchase a product that is not simple and may be difficult to understand. This product may not be suitable for all investors. Please ensure that you fully understand the risks involved.

What is this product?

Type

A contract for difference ("CFD") is a popular form of derivative trading. The price of the CFD on an Index is derived from the price of the respective underlying Index. CFD trading allows a trader to speculate on rising or falling prices in an underlying Index. Even though you will never own the underlying asset, your return or loss depends on movements in the price of the underlying and the size of your position. For any CFD two prices are quoted: (a) the higher price ('Ask'), at which the investor can buy ('go long') and (b) the lower price ('Bid'), at which the investor can sell ('go short'). The difference between the two is the spread. The leverage embedded within CFDs has the potential to magnify your profits or losses. IGMFX offers trading opportunities on a wide range of indices such as FTSE 100, Dax, NASDAQ.

CFD transactions with IGMFX are not undertaken on a recognized exchange/regulated market, rather they are undertaken over the counter (OTC).

Objectives

The objective of the CFD is to allow an investor to gain exposure to the movement in the value of the underlying Index (whether up or down), without the actual need to buy or sell the respective underlying Index. One of the key features of trading CFDs is that 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.

If you believe that the value of an Index is going to increase, you would buy a number of CFDs with the intention to later sell them when they are at a higher value. The difference between the buy price and your sell price, minus any relevant costs (see below for costs), equates to your profit. On the other hand, if you think that the price of an Index is going to decrease, you would sell a number of CFDs with the intention to later buy it back at a lower value. However, if the Index moves in the opposite direction and your position is closed, you would owe us the amount of any loss you have incurred (subject to our negative balance protection).

CFDs on Indices traded with IGM Forex Ltd generally do not have a pre-defined maturity date and are therefore open-ended. The Indices which are priced in accordance to Future Contracts have a defined maturity/expiration date which the clients should take into consideration for their trading activities. Upon maturity/expiration the Company may close clients' positions or roll over the positions to the next available Future Contract. There is no recommended holding period and it is up to the discretion of each trader to determine the most appropriate holding period based on their own individual strategy and objectives. Finally, trading on margin can increase any losses or gains you make.

Please note that margin trading requires extra caution, because while you can realize large profits, if the price moves in your favor, you risk extensive losses if the price moves against you.

For more information about margin trading, you can refer to our Margin Information document.

Intended Retail Investor

Trading CFDs on Indices is not appropriate for everyone. These products are most commonly intended for traders who have knowledge and/or experience to understand the characteristics of CFDs and risks associated with trading on margin; want to generally gain short term exposures to financial instruments/markets; are trading with money they can afford to lose.

Since this product has a high risk, persons trading this product will have tolerance for high volatility and losses and can understand the impact of and risks associated with the trading.

Term

CFD positions generally have no maturity date. It's up to each individual trader to decide the appropriate time to open and close his positions. Nevertheless, failure to deposit additional funds in order to meet margin requirements as a result of negative price movement, may result in the CFD position being auto-closed. The Indices which are priced in accordance to Future Contracts have a defined maturity/expiration date which the clients should take into consideration for their trading activities. Upon maturity/expiration the Company may close clients' positions or roll over the positions to the next available Future Contract.

Performance scenarios

The below scenarios illustrate potential profit and loss under different scenarios. 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. In any case, your profit or loss depends on how the market behaves and how long you hold the CFD. The stress scenario shows what you might get back during extreme market circumstances, when the market is very volatile.

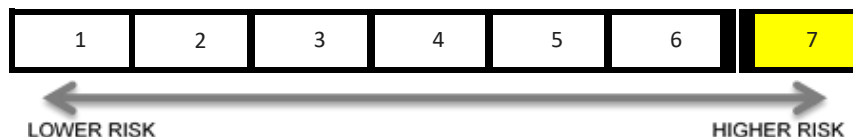
The following assumptions have been used to create the scenarios found in table 1 below:

| CFD on an Index (held intraday) | | | | | | | |
|-----------------------------------|-----------------|-------------------|-------------|----------------------|---------------------|--------------|-------------|
| S&P500 opening price: | (P) | \$5,900 | | | | | |
| Trade Size (per CFD): | (TS) | 1 lot (1 Index) | | | | | |
| Margin %: | (M) | 1% | | | | | |
| Leverage: | (L) | 1:100 | | | | | |
| Margin Requirement(\$): | MR = P x TS x M | \$59 | | | | | |
| Notional Value Of The Trade (\$): | TN = MR x L | \$5,900 | | | | | |
| CFD on an Index (held intraday) | | | | | | | |
| S&P500 opening price: | (P) | \$5,900 | | | | | |
| Trade Size (per CFD): | (TS) | 1 lot (1 Index) | | | | | |
| Margin %: | (M) | 3,3% | | | | | |
| Leverage: | (L) | 1:30 | | | | | |
| Margin Requirement(\$): | MR = P x TS x M | \$195 | | | | | |
| Notional Value Of The Trade (\$): | TN = MR x L | \$5,900 | | | | | |
| BUY/LONG | Closing Price | Price | Profit/Loss | SELL/SHORT | Closing | Price change | Profit/Loss |
| Performance Scenario | (Incl. Spread) | Range | | Performance Scenario | Price (inc. spread) | | |
| Favourable | \$ 6,077.00 | 3% | \$ 177.00 | Favourable | \$ 5,723.00 | -3% | \$ 177.00 |
| Moderate | \$ 5,989.00 | 1.5% | \$ 89.00 | Moderate | \$ 5,811.00 | -1.5% | \$ 89.00 |
| Unfavourable | \$ 5,723.00 | -3% | \$ 177.00 | Unfavourable | \$ 6,077.00 | 3% | \$ 177.00 |
| Stress | \$ 5,546.00 | -6% | \$ 354.00 | Stress | \$ 6,254.00 | 6% | \$ 354.00 |

The figures shown above indicate intraday trading and thus do not include the cost of positions held open overnight. 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 consideration the personal tax situation, which may affect how much you get back.

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

Risk indicator



There is no recommended or minimum holding period for this product. You must maintain sufficient margin in your account to keep your positions open. Trading on margin means you could quickly lose your trading balance.

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

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. We have classified this product as 7 out of 7, which is the highest risk class. This is because there is a chance that you could lose all of your trading balance.

Trading risks are magnified by leverage. Values may fluctuate significantly in times of high volatility or market/economic uncertainty; such swings are even more significant if your positions are leveraged and may also adversely affect your position. As a result, Margin calls may be

made quickly or frequently, and in the event of default, your positions may be closed out. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you.

Be aware of currency risk. You may receive payments in a different currency; therefore, 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.

Market conditions may mean that your CFD trade on an index is opened and closed at a less favorable 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, or if you contravene market regulations. For more information on Margin we encourage you to review our Margin Information document.

Technical Risks. Since trading of the product depends on technology i.e. PC, mobile phone, internet etc., you are exposed to electronic disruptions, leading to delays in the opening and closing of a transaction, for which IGM Forex Ltd shall not be held liable.

This product does not include any protection from future market performance so you could lose some or all of your trading balance.

For more information on the Risks associated with trading the product, please see our Risk Disclosure document.

What happens if IGM Forex Ltd is unable to pay out?

If IGM Forex Ltd or its liquidity provider is unable to meet its financial obligations to you, this could cause you to lose the value of any position's you have with IGM Forex Ltd. However, in such cases, you may be eligible for Compensation under the Investors' Compensation Fund (ICF), which covers eligible investments up to EUR 20,000 per person, or 90% (ninety percent) of the cumulative covered claims of the covered investor, whichever is lowest, irrespective of the number of accounts held, currency and place of offering the investment service. If you wish you may get more information on the ICF in our Investor Compensation Fund document. IGM Forex Ltd segregates your funds from its own money in accordance with the Cyprus CySEC Client Asset rules. The indicator shown above does not consider this protection.

For more information, you can visit the Cyprus Securities and Exchange Commission at: <https://www.cysec.gov.cy/>.

What are the costs for CFDs Index positions?

Before you trade CFDs on an Index, you should familiarize yourself with all the below costs for which you will be liable and which are capable of reducing your net profits or increasing your losses. For more information on costs please view our General Fees Document. The below table portrays an illustration of types of costs along with their meaning:

| | | |
|---------------|----------------------------------|--|
| One off Costs | Spread | The difference between the buy price and the sell price is called the spread. This cost is realized each time you open and close a trade. |
| | Currency Conversion | Any cash, realized 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. |
| Ongoing Costs | Daily holding Cost/Swap/Rollover | A fee is charged to your account for every night that your position is held, depending on the position held (i.e. long or short). This means the longer you hold a position, the more it costs. Swap can be viewed on the trading platform. |

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

There is no recommended holding period. You can open and close a CFD position on an Index at any time during market hours.

How can I complain?

The Company has established and maintains a Complaints Handling Procedure. If you wish to submit a complaint you can submit the online form via the following link or you may contact the Company at:

- **Address:** 1 Agias Zonis, No. 504, Block B, 5th Floor, Nikolaou Pentadromos Center Building, 3026 Limassol, Cyprus
- **Telephone:** +357 25 252 371
- **Email:** support@igmfx.com

Other relevant information

The information contained in this information document should be read in conjunction with other legal documentation will in particular the contractual information available at www.igmfx.com under the legal tab.