

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.

Spread bets on Cryptos are offered by **InterTrader Limited** (“InterTrader”).

InterTrader is a Gibraltar incorporated company, authorised and regulated by the Gibraltar Financial Services Commission and is subject to limited regulation by the Financial Conduct Authority for its Branch activity (ref 597312).

This document was last updated on 15th July 2020.



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

What is this product?

Type

A Spread Bet (“SB”) is a leveraged contract entered into with InterTrader on a bilateral basis. It allows an investor to speculate on rising or falling prices in an underlying Crypto.

An investor has the choice to buy (or go “long”) the SB to benefit from rising crypto prices; or to sell (or go “short”) the SB to benefit from falling Crypto prices.

Objectives

The objective of the SB is to allow an investor to gain leveraged exposure to the movement in the value of the underlying Crypto (whether up or down), without actually needing to buy or sell the physical commodity. The exposure is leveraged since the SB only requires a small proportion of the notional value of the contract (the value of the underlying commodity) to be put down upfront as initial margin and is one of the key features of trading SB.

The investor’s profit or loss from speculation on Crypto depends on the direction of speculation and is calculated based on the difference between the opening price and closing price of the underlying asset multiplied by the contract size, trade size and if applicable the conversion rate to the investor’s account currency.

Failure to deposit additional funds in the case of negative price movement may result in the SB being auto- closed. InterTrader also retains the ability to unilaterally terminate any SB contract where it deems that the terms of the contract have been breached.

Intended Retail Investor

Spread bets are intended for investors who have knowledge of, or experience with, leveraged products. Likely investors will understand how the prices of spread bets are derived and the key concepts of margin and leverage, and that losses may exceed deposits in a given position. They will understand the risk/reward profile of the product compared to traditional share dealing, and desire short-term, high-risk exposure to an underlying asset. Investors will also have appropriate financial means, hold other investment types and have the ability to bear losses in excess of the initial amount invested.

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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.

SB's are leveraged products that, due to underlying market movement, can generate losses rapidly. Losses can exceed the amount invested in a given position and you may be required to deposit additional funds in order to maintain your positions. There is no capital protection against market risk, credit risk or liquidity risk. **It is possible to lose the total balance on your account.**

Be aware of currency risk. It is possible to buy or sell spread bets on a Crypto 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.

Market conditions may mean that your SB trade on a Crypto is closed at less favourable price, which could significantly impact how much you get back. We may close your open SB 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 "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. 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 spread bet. 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:

SB on BTCUSD (held intraday)		
BTC/USD opening price:	P	10000
Bet size (£/pt):	TS	1
Margin %:	M	50%
Margin Requirement (£):	$MR = P \times TS \times M$	£5000
Notional value of the trade (£):	$TN = MR/M$	£10000

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	10500	5%	£500	Favourable	9500	5%	£500
Moderate	10150	1.5%	£150	Moderate	9850	1.5%	£150
Unfavourable	9500	-5%	-£500	Unfavourable	10500	-5%	-£500
Stress	9000	-10%	-£1,000	Stress	11000	-10%	-£1000

The figures shown 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.

What happens if InterTrader Limited is unable to pay out?

If InterTrader is unable to meet its financial obligations to you, you may lose the value of your investment. However, InterTrader segregates all retail client funds from its own money in accordance with applicable Client Asset rules.

InterTrader is also part of the Gibraltar Investor Compensation Scheme. <http://www.gics.gi/gicswhowhat.html>

What are the costs?

Trading a SB on an underlying Crypto incurs the following costs:

This table shows the different types of cost categories and their meaning			
Undated and Futures	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.
Undated only	Ongoing costs	Daily holding cost	A fee is charged to your account for every night that your position is held. This means the longer you hold a position, the more it costs.
Undated and Futures	Incidental costs	Distributor fee	We may from time to time share a proportion of our spread, commissions and other account fees with other persons including a distributor that may have introduced you.
Futures only	Other costs	Rollover costs	We charge you to rollover a futures contract into the next month or quarter, equal to the applicable spread to open and close a trade.

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

Spread bets 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, no cancellation period and therefore no cancellation fees. You can open and close a SB on a Crypto at any time during market hours.

How can I complain?

In the first instance you can contact our Customer Support team via email at support@intertrader.com or via telephone on +44 203 364 5189. You can also contact the Compliance Department at Compliance@intertrader.com. 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 or the Gibraltar Financial Services Commission.

Other relevant information

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.

Our 'Market Information' sheets contain additional information on trading a SB on a Crypto. These can be found on the trading platform.

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.