

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 FX 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).

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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

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 for an underlying FX pair. FX is always traded in pairs, and trading a SB on an FX pair involves the simultaneous buying and selling of two different currencies. An FX pair quote will show both currencies, e.g. EUR/GBP, the first currency (EUR) is known as the base currency and the second (GBP) is known as the variable currency.

FX trading gives an investor the choice to buy (or go “long”) the currency pair if they think the price of the base currency will rise in relation to the variable currency, or alternatively to sell (or go “short”) the currency pair if they think that the price of the variable currency will rise in relation to the base currency.

For instance, if an investor is long on EUR/GBP SB and the price of the underlying FX pair rises, the value of the SB will increase - at the end of the contract InterTrader will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if an investor is long and the spot price of the underlying FX pair falls, the value of the SB will decrease - at the end of the contract they will pay InterTrader the difference between the closing value of the contract and the opening value of the contract. The leverage embedded within all SBs has the effect of magnifying both profits and losses.

The current (“spot”) prices we offer to you are derived from prices sourced from major liquidity providers to the OTC FX and bullion market. The forward (“future”) prices we offer to you are derived from underlying on-exchange Futures price data.

Objectives

The objective of the SB is to allow an investor to gain leveraged exposure to the movement in the value of the underlying FX pair (whether up or down), without actually needing to buy or sell the underlying FX pair. The exposure is leveraged since the SB 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 SBs.

By way of example, EUR/GBP is trading at 0.84950 / 0.84960, and for the margin calculation the mid-price of 0.84955 will be used. If an investor buys a SB worth £5 per point with an initial margin amount of 5%, the initial investment will be £2,123.88 ($0.05 \times 5 \times 10,000 \times 0.84955$), which demonstrates the effect of leverage of, in this case 20:1 (1 / 0.05). This means that for each 1 point change (to the fourth decimal place, here 0.84955) in the price of the underlying FX pair so the value of the SB changes by £5. For instance, if the investor is long and the market increases in value, a £5 profit will be made for every 1 point increase in that market. However if the investor is short, a £5 loss will be incurred for each point the market decreases in value.

The spot SB does not have a pre-defined maturity date and is therefore open-ended. There is no recommended holding period and it is down to the discretion of each individual investor to determine the most appropriate holding period based on their own individual trading strategy and objectives. The forward SB has a pre-defined maturity date but can be exited prior to that date.

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.

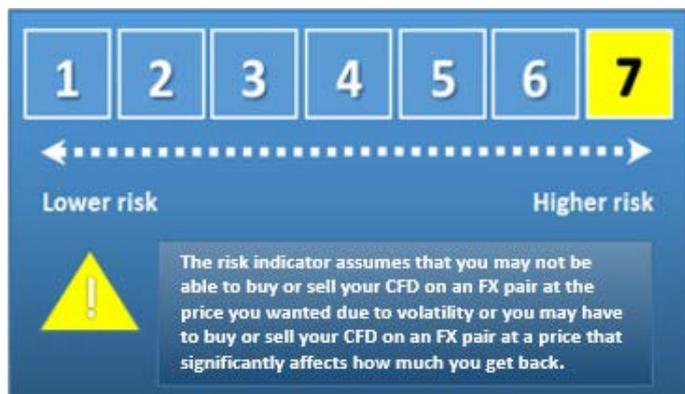
Intended Retail Investor

SBs are intended for investors who have knowledge of, or experience with, leveraged products. Likely investors will understand how the prices of SBs 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.

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.

SBs 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 all of the funds on your account.

Be aware of currency risk. Your profit and loss for an FX pair is always determined in the variable currency so when you buy or sell SBs on an FX pair in a variable currency different to the currency of your trading account, there will be a currency conversion. 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 an FX pair 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 but are not an exact indicator. 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. What you get will vary depending on how the market performs and how long you hold the SB. 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:

FX pair SB (held intraday)		
FX pair opening price:	P	1.3500
Trade size (per point):	TS	£1
Margin %:	M	5%
Margin Requirement (£):	$MR = P \times TS \times M$	£675
Notional value of the trade (£):	$TN = MR/M$	£13,500

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	1.3702	1.5%	£202	Favourable	1.3298	-1.5%	£202
Moderate	1.3567	0.5%	£67	Moderate	1.3433	-0.5%	£67
Unfavourable	1.3297	-1.5%	(£203)	Unfavourable	1.3703	1.5%	(£203)
Stress	1.2825	-5.0%	(£675)	Stress	1.4175	5.0%	(£675)

The costs shown below 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 FX pair incurs the following costs:

This table shows the different types of cost categories and their meaning			
Forward & Spot	One-off entry and 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.
Spot 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.

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

SBs 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 an FX pair 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](tel:+442033645189). 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.

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.