

**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.

CFDs are provided by **IG Europe GmbH (“IG”)**. See [www.ig.com](http://www.ig.com) or call 0800 409 6789 or +44 207 896 0079 for more information. IG is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (“BaFin”) and Deutsche Bundesbank. The BaFin is responsible for supervising IG in relation to this Key Information Document.

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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 contract for difference (“CFD”) is a leveraged contract entered into with IG on a bilateral basis. It allows an investor to speculate on rising or falling prices in an underlying index.

An investor has the choice to buy (or go “long”) the CFD to benefit from rising index prices; or to sell (or go “short”) the CFD to benefit from falling index prices. The price of the CFD is derived from the price of the underlying futures index price. For instance, if an investor is long a Germany 40 CFD and the price of the underlying index rises, the value of the CFD will increase - at the end of the contract IG 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 price of the underlying index falls, the value of the CFD will decrease - at the end of the contract they will pay IG the difference between the closing value of the contract and the opening value of the contract. The leverage embedded within all CFDs has the effect of magnifying both profits and losses.

**Term**

The cash CFD does not have a pre-defined maturity date and is therefore open-ended; by contrast, a future CFD has a pre-defined expiry date. As a result, there is no recommended holding period for either 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.

Failure to deposit additional funds in the case of negative price movement may result in the CFD being auto-closed. This will occur when losses exceed the initial margin amount in a given position. In the case of futures CFDs, all transactions will be automatically rolled over into the next period – ie, from a March expiry into a June expiry, unless the client opt out of this. IG also retains the ability to terminate any CFD where it deems that the terms of the contract have been breached.

**Objectives**

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying index (whether up or down), 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 put down upfront as initial margin and is one of the key features of trading CFDs. By way of example, if an investor buys 1 CFD which is equivalent to €1 per point with an initial margin amount of 5% and an underlying index price of 10000, the initial margin will be €500 (5% x 10000 x €1). The effect of leverage, in this case 20:1 (1 / 5%) has resulted in a notional value of the contract of €10,000 (10000 x €1). This means that for each 1 point change in the price of the underlying index so the value of the CFD changes by €1. For instance, if the investor is long and the market increases in value, a €1 profit will be made for every 1 point increase in that market. However if the market decreases in value, a €1 loss will be incurred for each point the market decreases in value. Conversely, if an investor holds a short position, a profit is made in line with any decreases in that market, and a loss for any increases in the market.

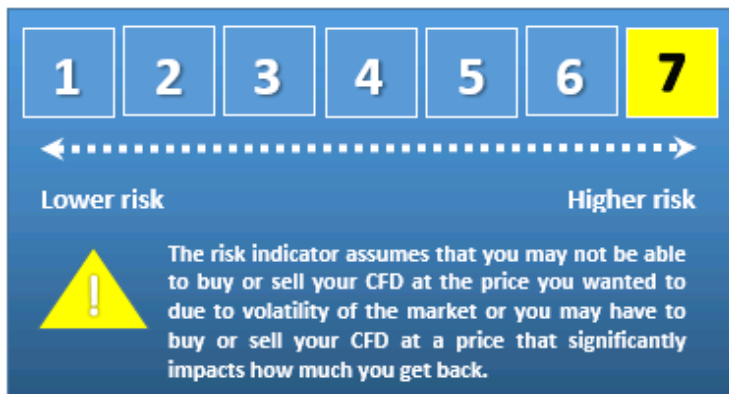
**Intended Retail Investor**

CFDs are intended for investors who have knowledge of, or are experienced with, leveraged products. Likely investors will understand how the prices of CFDs are derived, the key concepts of margin and leverage and the fact that losses may exceed deposits in a given position. Indeed, they will understand the risk/reward profile of the

product compared to traditional share dealing. Investors will also have appropriate financial means and the ability to bear losses in excess of the initial amount invested in a given position.

## 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.

CFDs are leveraged products that, due to underlying market movement, can generate losses rapidly. Losses can exceed the amount initially 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 generate significant losses up to the total loss of your invested capital. In case of professional clients, the losses can exceed the invested capital.**

**Be aware of currency risk.** It is possible to buy or sell CFDs on an index 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 CFD trade on an index is closed at a less favourable 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, 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 the section “what happens if we are unable to pay you”). The indicator shown above does not consider this protection.

### Performance scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The scenarios shown are illustrations based on results from the past and on certain assumptions. Markets could develop very differently in the future.

The following assumptions have been used to create the scenarios in Table 1:

Index CFD (held one day)		
Index opening price:	P	10,000
Trade size (per CFD):	TS	1
Margin rate (%):	M	5%
Margin Requirement (€):	$MR = P \times TS \times M$	€500
Notional value of the trade (€):	$TN = MR / M$	€10,000

Table 1

LONG / SHORT Performance scenario	Percentage return (based on Notional value)	Profit/loss after costs
Minimum	There is no minimum guaranteed return. You could lose some or all of your investment or have to make further payments to cover losses.	
Stress	-1.5%	- 150 EUR
Unfavourable	-0.5%	- 50 EUR
Moderate	1.5%	150 EUR
Favourable	5.0%	500 EUR

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.

The stress scenario shows what you might get back in extreme market circumstances. The scenarios shown represent possible outcomes calculated based on simulations.

### What happens if IG is unable to pay out?

If IG is unable to meet its financial obligations to you, you may have significant losses up to the value of your investment (total loss). However IG segregates all client funds from its own money in accordance with the Securities Trading Act (WpHG).. IG also participates in the Securities Trading Companies Compensation Fund (Entschädigungseinrichtung der Wertpapierhandelsunternehmen (EdW), 10865 Berlin/Germany), which covers eligible investments up to 90% of the claim, maximum €20,000 per person, per firm. See <http://www.e-d-w.de>

### What are the costs?

If you have been sold this product by someone else, or have a third party advising you about this product the person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment. The cost vary on the basis of the underlying investment options.

Trading a CFD on an underlying index incurs the following costs:

<b>This table shows the different types of cost categories and their meaning</b>			
<b>Cash and Futures</b>	<b>One-off entry or exit costs</b>	<b>Spread</b>	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.
		<b>Currency conversion</b>	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.
<b>Cash only</b>	<b>Ongoing costs</b>	<b>Daily holding cost</b>	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.
<b>Cash and Futures</b>	<b>Incidental costs</b>	<b>Distributor fee</b>	We may from time to time, after informing you, share a proportion of our spread, commissions and other account fees with other persons including a distributor that may have introduced you.
<b>Futures only</b>	<b>Other costs</b>	<b>Rollover costs</b>	We charge you to roll over a futures contract into the next month or quarter, equal to half the applicable spread to open and close a trade.

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

CFDs 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 CFD on an index at any time during market hours.

### How can I complain?

If you wish to make a complaint about IG, you should contact our client services team on 0800 409 6789, or email [helpdesk.uk@ig.com](mailto:helpdesk.uk@ig.com). If our client services team is unable to resolve the matter you may refer it to our compliance department. If you do not feel that your complaint has been resolved satisfactorily, you are able to refer your complaint to the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin). See

[https://www.bafin.de/DE/DieBaFin/Kontakt/Verbraucher/verbraucher\\_node.html](https://www.bafin.de/DE/DieBaFin/Kontakt/Verbraucher/verbraucher_node.html) for further information.

You can also refer to the European Commission's Online Dispute Resolution Platform, however it is likely that you will be referred to the BaFin.

### 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. Ensure your internet signal strength is sufficient before trading.

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.