

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 on a Cryptocurrency.

Product manufacturer Infinox Capital Limited ("Infinox"), authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Further information You can find more information about Infinox and our products at www.infinox.com/en/. You can contact us using the details on our website or by calling +44(0)20 3713 4490. This document was last updated to be effective from 1 August 2018.

Alert

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

What is this product?**Type**

This document relates to products known as 'contracts for difference', which are also known as CFDs. A CFD allows you to obtain an indirect exposure to an underlying asset such as a security, commodity, or currency. This means you will never own the underlying asset, but you will make gains or suffer losses as a result of price movements in the underlying asset to which you have the indirect exposure. This document provides key information on CFDs where the underlying investment option that you choose is a Cryptocurrency as defined under a Product Name - for example Bitcoin/USD or Ethereum/USD.

You can visit www.infinox.com/en/cryptocurrencies for information on the Cryptocurrencies available to you.

Objectives

The objective of trading CFDs is to speculate on price movements (generally over the short term) in an underlying asset by obtaining an indirect exposure to the underlying asset. Your return depends on movements in the price of the underlying asset and the size of your stake. The price of a Cryptocurrency CFD contract is determined by reference to the price of the quoted underlying cryptocurrency and fiat currency pairs such as Bitcoin/USD (BTCUSD), Ethereum/USD (XETUSD) or Litecoin/USD (XLCUSD).

For example, if you believe the value of a cryptocurrency is going to increase, you would buy a CFD (also known as "going long") with the intention to sell it at a higher value. The difference between the price at which you buy and the price at which you subsequently sell equates to your profit, minus any relevant costs (detailed below). If you think the value of a cryptocurrency is going to decrease, you would sell a CFD (also known as "going short") at a specific value, expecting to buy it back at a lower price, resulting in us paying you the difference minus any relevant costs. However, in either circumstance, if the cryptocurrency moves in the opposite direction and your position is closed, either by you or as a result of a margin call (detailed below), you can lose your entire investment.

Our pricing data and market on the Cryptocurrencies are originated from the digital decentralized exchanges the Cryptocurrencies are traded on. Considering that such exchanges are not regulated, the market data and price feed information provided by such exchanges may be subject to the internal rules and practices of such exchanges which may significantly differ from the rules and practices observed by the regulated exchanges. Therefore, the pricing formation rules of the Cryptocurrency exchanges are not subject to any regulatory supervision and may be changed at the relevant digital exchange's discretion at any time. No trade will entitle you to any rights in relation to the underlying currencies including any rights to delivery, acquisition or ownership.

Cryptocurrencies markets are determined by demand and supply only. The cryptocurrencies market is a dynamic arena and their respective prices are often highly unpredictable and volatile. The prices of Cryptocurrency is usually not transparent and highly speculative and susceptible to market manipulation. Cryptocurrency not backed by any central organisation and freely transacted across the globe.

They are volatile: unexpected changes in market sentiment can lead to sharp and sudden moves in price. It is not uncommon for the value of cryptocurrencies to quickly drop by hundreds, if not thousands of dollars.

They are unregulated: As a decentralised currency, cryptocurrencies are currently unregulated by both governments and central banks. They were developed to be free from government oversight or influence and are instead monitored by peer-to-peer internet protocol.

They are susceptible to error and hacking: as a digital currency, cryptocurrencies are susceptible to technical glitches, human error or hacking.

They can be affected by forks or discontinuation: cryptocurrency trading carries additional risks such as hard forks or discontinuation. When a hard fork occurs, there may be substantial price volatility around the event, and we may suspend trading throughout if we do not have reliable prices from the underlying market.

To open a position and to protect us against any losses you incur, you are required to deposit a percentage of the total value of the contract in your account. This is referred to as the margin requirement (see further below). Trading on margin can enhance any losses or gains you make.

Intended Retail Investor

Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who:

- (i) have a high risk tolerance;
- (ii) are trading with money they can afford to lose;
- (iii) have experience with, and are comfortable trading on, financial markets and, separately, understand the impact of and risks associated with margin trading; and
- (iv) want to generally gain short term exposures to financial instruments/markets, and have a diversified investment and savings portfolio .

Term

CFDs have no maturity date or minimum holding period. You decide when to open and close your positions .

We may close your position without seeking your prior consent if you do not maintain sufficient margin in your account. If the margin amount in your account falls below 50% of the total initial margin required for all the CFDs in your account we must close out one or more of your open positions. More information about when we can close your position is set out in our Client Agreement that can be found in the 'Legal Information' section of our website www.infinox.com/en. More information about when we can close your position is set out below.

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. This is because there is a very high chance that you could lose your entire investment.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. Trading CFDs on Cryptocurrencies is extremely high risk. Figures published by the Financial Conduct Authority show that approximately 82% of retail clients lose money on CFD products. Details of the percentage of retail investor accounts that have lost money with

INFINOX over the preceding 12 months can be found on our website www.infinox.com/en, on our email and marketing communications and in the Risk Warning Notice that can be found in the 'Legal Information' section of our website www.infinox.com/en. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

Be aware of currency risk. It is possible to buy or sell CFDs on a Cryptocurrency 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.

You can lose your entire investment, including all cash deposited in your CFD trading account with us, together with any unrealised net profits from other open positions you may have with us. Your losses can materialise quickly due to the use of margin (see further below). CFD trading requires you to maintain a certain level of funds in your account to keep your positions open. This is called margin. You will be able to open a position by depositing only a small percentage of the notional value of the position, creating a leveraged position. Leverage can significantly magnify your gains and losses. If the margin in your account falls below 50% of the total initial margin required for all the CFDs in your account then we must close one or more of your positions. We will do this in accordance with our margin close-out rules set in our Client Agreement. You could, therefore, lose your entire investment.

Our CFDs are not listed on any exchange, and the prices and other conditions are set by us in accordance with our best execution policy. The contract can be closed only with us and are not transferable to any other provider. If you have multiple positions with us, your risk may be cumulative and not limited to one position. The tax regime of the country in which you are domiciled may impact your return. 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 Infinox is unable to pay out'). The indicator shown above does not consider this protection.

Performance Scenarios

This key information document is not specific to a particular product. It applies to a CFD on any Cryptocurrencies we offer on our platform. However, each CFD you enter into with us is specific to you and your choices. You will be responsible for choosing the Cryptocurrencies (subject to availability on our platform); when you open and close your position, the size of your position and your margin (subject to margin limits for the CFD depending on the type of underlying instrument); and whether to use any risk mitigation features we offer (such as stop loss orders), for example. This performance scenario is based on an account with only one open position, however each of your positions will also be impacted by any other open position you have with us. These underlying options offered for each CFD will have a material impact on the risk and return of your investment. Specific information on the underlying Cryptocurrencies you can trade is available <https://infinox.com/en/cryptocurrencies>.

This table shows the money you could potentially make or lose under different scenarios. The scenarios assume you choose to buy 1 CFD contract relating to an underlying Cryptocurrency asset.

The price of buying one contract of the BITCOIN/USD is \$10,000.00. This means that if you buy one contract of the cryptocurrency you will have “notional exposure” to the underlying asset of \$10,000.00 (1 contract x the buy price of \$10,000.00). However, you do not need to invest the full \$10,000.00. Assuming the initial margin for this particular cryptocurrency CFD is 50%, you will only have to deposit \$5,000.00 which is 50.00% of the notional exposure of \$10,000.00, leading to a leveraged exposure of 2:1.

Notional exposure of \$10,000.00 / Initial margin \$5,000.00 / Leverage 2:1 / Spread \$22.50			
Scenarios		Intra-day	5 days
Stress scenario: The price falls by 1,050 points and we close you out	What you might lose Percentage return	-\$1,050.00 -21.00 %	-\$5,000.00 -100.00 %
Unfavourable scenario: The price falls by 525 points and automatic close-out at 50% applies	What you might lose Percentage return	-\$525.00 -10.50 %	-\$2,500.00 -50.00 %
Moderate scenario: The price does not change and you exit the position	What you might lose Percentage return	-\$22.50 -0.45 %	-\$72.50 -1.45 %
Favourable scenario: The price increases by 250 points and you exit the position	What you might get back Percentage return	\$250.00 5.00 %	\$1250.00 25.00 %

*Note, that in the case of a stress scenario, in normal circumstances a loss of 50% of the initial margin in your account would have triggered automatic close-out, requiring us to close one or more of your positions. However in circumstances of severe market stress it may not be possible to close out positions, which could lead to a maximum loss of 100% of your deposit (\$5,000.00).

Other than the Moderate scenario, the scenarios do not take into account our spread or overnight holding costs, which may vary per instrument and depending on market conditions. Further information about these trading costs are available at www.infinox.com/en/trade-accounts. The Moderate scenario shows the potential impact of our spread and overnight holding costs where the price of the CFD contract does not change. A daily overnight funding cost in the moderate scenario is \$10.00. For our STP account, there are no other fees. For our ECN account, our spread is typically lower but the minimum trade size is higher and there is a fixed commission – please see below for “Other Costs”.

The stress scenario above shows how small price movements can rapidly lead to losses and in this circumstance will result in a forced close-out of your position. In this stress scenario you could lose your entire investment (any cash deposited in your CFD account and any unrealised net profits from any other open positions). In this stress scenario, we would try to close your position when the margin in your account falls below 50% of the total initial margin required for all the CFDs in your account, however this may not be possible in an extreme stress scenario. The unfavourable scenario shows how your account is closed when margin falls below 50% of the total initial margin required for all the CFDs in your account. These performance scenarios do not take into account a situation where we are unable to pay you. 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 and are not exact indicators. What you get will vary depending on how the market performs and how long you keep the investment. The figures do not take into account your personal tax situation, which may also affect how much you get back. This performance scenario assumes you only have one position open, and does not take into account the negative or positive cumulative balance you may have if you have multiple open positions with us.

What happens if Infinox is unable to pay out?

If Infinox is unable to meet its financial obligations to you, this could cause you to lose the value of any CFDs you have with Infinox. Infinox segregates your funds from its own money in accordance with the UK FCA’s Client Asset rules. Should segregation fail, your investment is covered by 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 types of costs involved when you trade CFD products.

One off costs	Spread	The spread is the difference between the buy (offer) and sell (bid) price that we quote. For example, if the underlying asset is trading at 100, our offer price (the price at which you can buy) might be 99 and our bid price (the price at which you can sell) might be 101. You pay the spread on opening and closing a contract.
	Currency conversion	A currency conversion rate is charged if dealing in a currency other than your account currency .
Ongoing costs	Overnight holding costs	Cash positions on your account at the end of a trading day will be subject to overnight holding costs . These can be positive or negative depending on the direction of the position, and the current holding rate.
Other costs	Distributor fees	We may make payments from time to time to certain partners who introduce business to us. These payments may be based on your trading activity. We only make these payments if they do not breach the Financial Conduct Authority's rules on inducements.
	Commission	For ECN accounts, there is a commission charge for executing trades on your behalf. Commission is charged at £5.00/€5.50/\$7.50 (depending on the base currency of your trading account) per 100k of position size, which is charged when a position is opened.

The costs will vary depending on the underlying investment options you choose. Specific information can be found on our trading platform.

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

This product generally has no fixed term and will expire when you choose to exit the product or in the event you do not have available margin and we close your position in accordance with any applicable margin close-out rules. You should monitor the product to determine when the appropriate time is to exit.

You can open and close a CFD on a Cryptocurrency at any time during market hours.

How can I complain?

If you wish to make a complaint, you should contact our client services team on +44(0)20 3713 4490, or email support@infinox.com. If you do not feel your complaint has been resolved satisfactorily, 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 will find detailed information on our products by reviewing our website and the trading platform. You should ensure that you read the Client Agreement, Best Execution Policy and Risk Warning Notice displayed in the 'legal' section of our website, at www.infinox.com/en/. Such information is also available on request.

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 (improve or get worse). Ensure your internet signal strength is sufficient before trading.