

## 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.

CFD on an FX pair is offered by **StoneX Financial Ltd** ("SFL", "we" or "us"), a company registered in England and Wales with registration number 05616586. Tradefair Financials ("Tradefair") is a trading name of StoneX Financial Ltd which is authorised and regulated by the Financial Conduct Authority in the United Kingdom with reference number 446717. Call [+44 \(0\) 20 7170 0942](tel:+442071700942) or go to [www.tradefair.com](http://www.tradefair.com) for more information.

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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 SFL on a bilateral basis. It allows an investor to speculate on rising or falling prices in an underlying FX pair.

FX is always traded in currency pairs (e.g. EUR/GBP) and involves the simultaneous buying and selling of two different currencies. The first currency referenced in a currency pair (in our example EUR) is known as the base currency and the second (GBP) is known as the variable currency. The price of the CFD is derived from the price of the underlying FX pair, which may reference either the current ("spot") price or a forward ("future") price. 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") 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 CFD and the price of the underlying FX pair rises, the value of the CFD will increase - at the end of the contract SFL 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 CFD will decrease - at the end of the contract they will pay SFL the difference between the closing value of the contract and the opening value of the contract. A CFD referencing the underlying future price works in exactly the same way except that such contracts have a pre-defined expiry date – a date upon which the contract either automatically closes or must be rolled into the next period. The leverage embedded within all CFDs has the effect of magnifying both profits and losses.

### Objectives

The objective of the CFD 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 CFD only requires a relatively 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 EUR/GBP is trading at 0.84950 / 0.84960 and an investor buys 5 CFDs with an initial margin amount of 3% and a bid-price of 0.84950, the initial investment will be £1274.25 ( $0.03 \times 5 / 0.0001 \times 0.84950$ ). The effect of leverage, in this case 30:1 ( $1 / 0.03\%$ ), means that for each 1 point change in the price of the underlying FX pair so the value of the CFD 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 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. 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.

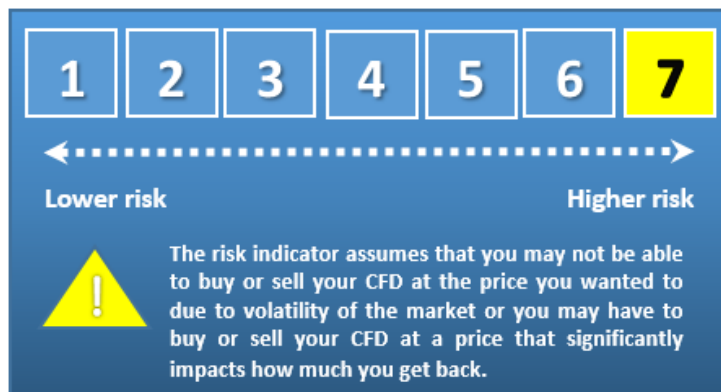
Failure to deposit additional funds in order to meet the margin requirement as a result of negative price movement may result in the CFD being auto-closed. This will occur when losses exceed the initial margin amount. In the case of future CFDs, investors will be given the option to roll their existing contract into the next period – e.g., from a January expiry into a February expiry. Rolling is at the discretion of the investor but failure to do so will result in the future CFD being auto-closed at the expiry date. SFL also retains the ability to unilaterally terminate any CFD contract where it deems that the terms of the contract have been breached.

### Intended Retail Investor

CFDs are intended for investors who have knowledge of, or are experienced with, leveraged products and who are looking to gain a short-term exposure to financial instruments. Likely investors will understand how the prices of CFDs are derived and the key concepts of margin and leverage. 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.

## 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.

There is no recommended or minimum holding period for this product. Please see below section: [“How long should I hold it and can I take money out early?”](#)

CFDs are leveraged products that, due to underlying market movement, can generate losses rapidly. There is no capital protection against market risk, credit risk or liquidity risk. Even though losses may be incurred, Retail clients are subject to negative balance protection which means that your losses cannot exceed the amount invested.

**Be aware of currency risk.** It is possible to buy or sell CFDs 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 FX pair 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 SFL, 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 Information

A CFD is a leveraged financial derivative that follows the price of an underlying financial market. A CFD will make gains or incur losses as a result of price movements in the underlying asset. A CFD will be quoted with a buy price and a sell price, with the difference being the spread fee. Spreads will affect the returns of your investment. The price of a CFD may be affected by factors such as inflation, interest rates, geopolitical events, government policy and economic factors.

### What could affect my return positively?

A position that is taken at a buy price (going long) will make a profit if closed at a higher sell price.

A position that is taken at a sell price (going short) will make a profit if closed at a lower buy price.

### What could affect my return negatively?

A position that is taken at a buy price (going long) will incur a loss if closed at a lower sell price.

A position that is taken at a sell price (going short) will incur a loss if closed at a higher buy price.

Severely adverse market conditions can negatively impact your positions. If your margin level is at or below the margin close-out level, we will close any or all of your open positions as quickly as possible. This may result in the loss of your entire account balance.

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

If SFL is unable to meet its financial obligations to you, you may lose the value of your investment. SFL segregates all retail client funds from its own money in accordance with the UK FCA's Client Asset rules. SFL also participates in the UK's Financial Services Compensation Scheme (FSCS) which covers eligible investments up to £85,000 per person, per firm. See [www.fscs.org.uk](http://www.fscs.org.uk).

### What are the costs?

Trading a CFD on an underlying FX pair incurs the following costs:

**This table shows the different types of cost categories and their meaning**

<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 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 FX pair at any time during market hours.

### How can I complain?

If you wish to make a complaint, you should contact our Client Management Team on [+44 \(0\) 20 7170 0942](tel:+442071700942), by emailing [helpdesk@tradefair.com](mailto:helpdesk@tradefair.com) or in writing to StoneX Financial Ltd, Devon House, 58 St Katherine's Way London, E1W 1JP. If you do not feel that 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](http://www.financial-ombudsman.org.uk) 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 FOS.

### 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 the Tradefair 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 CFD on an underlying FX pair. These can be found on the trading platform.

For retail clients, a margin close out rule is applied on an account level basis. This means that when the value of the account falls below 50% of the initial margin requirement (that was paid to enter into all of the open CFD positions at any point in time), one or more CFD positions will be closed out. We may set a higher percentage than 50%.

You should ensure that you read the General Terms, including Risk Warning, Order Execution Policy and more which can be found in the Terms and Policies section of our website. Such information is also available on request.