

KEY INFORMATION DOCUMENT – INDICES

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 (CFD) on Indices

Product manufacturer: JFD Group Ltd (“JFD”) authorized and regulated by Securities and Exchange Commission in Cyprus (CySEC Registration number: 150/11).

Further information: You can find more information about JFD’s products on our website. We encourage you to visit our website <https://www.jfdbank.com>. JFD’s customer support team is available via phone, email or live chat.

This document was last updated on May 2019.

Alert

You are about to purchase a product that is not simple and may be difficult to understand. Our service includes products that are traded on margin and carry a risk of losses. The products may not be suitable for all investors. Please ensure that you fully understand the risks involved.

What is this product?

Type

An Over the Counter (“OTC”) Derivative Contract for Difference (“CFD”) where the underlying instrument is Indices. The indices we currently offer CFDs on can be found at: <https://www.jfdbank.com/en/online-trading/cfds#indicesSection>.

Objective

A CFD on Indices is not a listed instrument but is traded as an over the counter contract between you and JFD.

A CFD on Indices enables you to have exposure to price movements on the underlying asset without actually own it. This product is appropriate only for speculative investment purposes. CFD on Indices is an agreement between you and JFD to exchange the difference in price of the underlying over a period of time. The difference to be exchanged is determined by the change in the reference price of the underlying. Thus, if the underlying rises in price, and you are long CFD, you receive cash from JFD and vice versa. A CFD on Indices can be bought long or sold short to suit your view of market direction in the future. An Index CFD is a leveraged product that requires you to deposit a smaller amount of cash as margin. For retail investors, the European Securities and Markets Authority (ESMA) mandates a minimum initial margin depending on the index of 5% or 10% of the notional value of the Index CFD and requires JFD to liquidate open positions if the qualifying equity (CFD cash and unrealized CFD P&L) in your CFD account falls below 50% of the initial margin requirements.

Intended Retail Investor

This product is for clients that have a medium to high risk tolerance and ability to lose the invested capital. It is available for clients with a relatively short-term investment horizon, and is not suitable for all investors but only for those who i) understand and are willing to bear the risks involved, including the risks associated with margin trading; ii) possess the necessary experience and knowledge about trading in derivatives and the underlying instruments; and iii) are financially able to bear the risk of a total loss of their invested amounts, subject to the negative balance protection mechanism offered by the Company.

Term

CFDs on Indices have no maturity date or minimum holding period. You decide when to open and close your positions. JFD may close your position without seeking your prior consent if you do not maintain sufficient margin in your account. Please consult the JFD website for trading times of these instruments.

What are the risks and what could I get in return?

Summary Risk Indicator (“SRI”)



The risk indicator is a guide to the level of risk of this product compared to other products. We have classified this product as 7 out of 7, which is the highest risk class. This means that CFDs on Indices exhibit the highest risk characteristics and highlights potential losses at a very high level. CFDs on Indices are speculative products which are traded with leverage and are not appropriate for all Investors. By investing in CFDs on Indices, you assume a high level of risk which can result in the loss of all of your invested capital. Thus, you should never invest more than you are willing to lose. Further, Investors should consider whether CFDs on Indices are appropriate for them according to their financial status before initiating a trade. If you do not have enough knowledge and experience to trade, we suggest you seek independent advice before you invest. If you still don't understand these risks after consulting an independent

financial advisor, then you should refrain from trading at all. 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 portion of the notional value of the position, creating a leveraged position. Leverage can significantly magnify your gains and losses. JFD margin requirements are updated regularly and can be increased temporarily to mitigate risks prior to major market events or in increasingly volatile markets. Current margin requirements will differ depending on account type and can be viewed in the specifications sector of any CFD in your trading platform or in the contract specifications on JFD's official website.

Performance Scenarios

The scenarios shown below illustrate how changes in prices can affect your trading and investment. You can compare them with the scenarios of other products. The scenarios presented are an estimation 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 CFD. JFD will automatically liquidate positions if the equity in the account is insufficient to meet margin requirements.

- Favorable scenario: is a situation where the market moves in the direction of the Investor's order and the order becomes profitable.
- Moderate Scenario: is a situation where the market remains relatively unchanged to the opening price of the Investor's order
- Unfavorable scenario: is a situation where the market moves against the direction of the Investor's order and the order becomes unprofitable.
- Stress scenario: is a situation where the market moves considerable against the direction of the Investor's order and the market price is near the stop out level.

The following assumptions have been used to create the scenarios below:

INDICES CFD			
		Bid	Ask
Balance	1260.50		
Opening Price	P	25.208	25.210
Trade Size	TS	1	1
Margin	M	5 %	5 %
Initial Margin	P x TS x M	1260.40	1260.50
Notional Value	P x TS	25.208	25.210
Overnight Financing (in % terms - 3.25% +/- 3-month Libor)		-0.79	-5.70

LONG POSITION					SHORT POSITION			
Scenarios	Closing Price	% Price change	Overnight Financing	Profit/Loss after costs (USD)	Closing Price	% Price change	Overnight Rollover	Profit/Loss after Costs
Favourable	25.600	1.54	-3.99	386.006	24.808	-1.58	-0.55	399.441
Moderate	24.900	-1.22	-3.99	-313.993	25.515	1.21	-0.55	-307.558
Unfavourable	24.600	-2.41	-3.99	-613.993	25.790	2.30	-0.55	-582.558
Stress	24.100	-4.40	-3.99	-1113.99	26.301	4.33	-0.55	-1093.55

The figures shown include all the costs of the product itself but do not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. Opening a long position holds that you think the underlying price will increase, and opening a short position holds that you think the underlying price will decrease.

What happens if JFD is unable to pay out?

If JFD is unable to meet its financial obligations to you, this could cause you to lose the value of any positions you have with JFD. However, JFD segregates your funds from its own money in accordance with Law 87(I)/2017. You can find out more about it [here](#). In addition, JFD is a member of the Investor Compensation Fund which covers eligible investments up to EUR 20,000 per person. For more info, please visit: <https://www.cysec.gov.cy/en-GB/complaints/tae/information/>.

What are the costs?

Before you start trading you should familiarize yourself with all costs and fees associated with trading. These charges will reduce any net profit or increase your losses. For more information about the composition of costs and fees please visit JFD's [website](#).

Costs Over Time

Estimated Holding Period: 4 Weeks

Investment: \$1260.50

Notional Amount: \$25.210

Total Costs: -€121.1 (spread + commission + financing)

Impact on Return: -9.6%

Composition of Costs

This table shows the different types of costs involved when you trade CFDs on Indices products.

One-off entry or exit 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 25.209, our offer price (the price at which you can buy) might be 25.210 and our bid price (the price at which you can sell) might be 25.208.
	Commission	A small fee applies every time you open and close a CFD on Indices.
Ongoing costs	Overnight financing	Overnight financing costs are calculated for CFDs on Cash Indices: 3% +/- 3-month Libor. whenever a position is left open after a certain roll over time - 22:00 UTC, according to our Swap Rates visible in Contract Specification
Incidental costs	Inactivity fees	A fee of 20 EUR/USD/GBP/CHF will be charged when there is no use of the trading platform for a period of 3 consecutive months.

The costs will vary depending on the investment options you choose.

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

There is no recommended holding period, minimum holding period nor any cancellation period. There are no consequences of you choosing to close your position other than ending your exposure to the Indices CFD you hold at that time.

How can I complain?

For any questions you may have that we can help you with, you can communicate with the Company under the "Contact Us" page on our Website, such as referring your enquiry via email to our Customer Service Department, or via a chat with a Customer Service representative. Should you wish to submit an official complaint please request from our Customer Support Department to receive the designated Complaint Form then, duly complete, sign and send the form to the Customer Support officer you are in communication with regarding your dispute/complaint. More information about our complaint handling procedures can be found [here](#). If you do not feel your complaint has been resolved satisfactorily, you are able to refer your complaint to the Financial Ombudsman of the Republic of Cyprus. For further information, see <http://www.financialombudsman.gov.cy>

Other Relevant information

You should ensure that you read and understand the Company's Legal Documentation available in the Legal section on our website which you can find [HERE](#) together with the Key Investor Document before opening an account and start trading with the Company. You should ensure that you are familiar with all the terms and policies that apply to your account.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. 68.02% of the retail investor accounts lose money when trading CFDs with JFD. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money. Seek independent advice if necessary and review our [Risk Disclosure](#) and [Privacy Policy](#) before opening an account.