

# KEY INFORMATION DOCUMENT



## 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

**Name of Product:** Index CFD, CFI Code: JEIXCC

**Date of Production:** 2 January 2018

**Name of PRIIP Manufacturer and competent authority:** LMAX Global is a trading name of LMAX Broker Limited which is authorised and regulated by the Financial Conduct Authority (firm reference number 783200) and is a company registered in England and Wales (number 10819525).

**Website:** <https://www.lmax.com/global>

**Call:** +44 20 3192 2555 for more information.

## YOU ARE ABOUT TO PURCHASE A PRODUCT THAT IS NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND

### WHAT IS THIS PRODUCT?

**Type:** This product is considered a leveraged Over the Counter derivative instrument. It is a contract for difference, where the value of the trade derives from the cash value of the index.

**Objectives:** Short Term Investment returns from price fluctuations in volatile markets.

**Intended Retail Investor:** This product is designed for short term speculative investors with experience in trading in volatile liquid markets.

**Term:** Index CFD contracts have no maturity date and open positions will be rolled onto the next day unless the client closes his/her position, or if the positions are closed by LMAX Global during an Event of Default (please see our Terms of Business for further information).

### WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

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.

Our services involve a high degree of gearing or leverage. This can work for and against you as a relatively small movement in the price of the financial instrument may result in you achieving a profit but equally may result in you incurring loss. Furthermore, where there is low liquidity, it may not be possible to close your open trades immediately. During this period the value of your open trades could fall significantly. Fluctuations in markets outside our control and the historical performance of a financial instrument is no indication as to its future performance. In some circumstances you may be required to make further payments to pay for losses. **The total loss you may incur may be significant.**

For further information please see our see Risk Warning Notice.

### PERFORMANCE SCENARIOS

The performance scenarios are based on trading the equity contract for difference for UK100 for a 30-day period as represented by the candlestick chart. The horizontal axis of the chart shows the day the contract is being traded and the vertical axis shows the price of the contract.

The chart read in conjunction with the tables illustrate how your investment may perform in different market scenarios depending on whether you were buying or selling the contract. You can compare them with the chart and tables of other derivatives. The scenarios presented are indicative of possible outcomes based on evidence from the past on how the value of this investment varies. These are not an exact indication of your returns. What you get will vary depending on how the underlying will develop i.e. how the market performs and how long you hold your position. For each value of the underlying, the tables show what the profit or loss of the product would be. The example figures shown in the tables include all the costs of the product itself. Your maximum loss may include all your investments plus any additional payments for those losses.

## Investment = UK100

The below table shows four clients entering into trades indicated by the arrows on the adjacent graph.



Client	Deposit	Open Time	Type	Volume	Open Price
A	10000	2016.06.14	Buy	1	5911.5
B	10000	2016.06.14	Sell	1	5920.5
C	10000	2016.05.04	Sell	1	6184.4
D	5000	2016.06.10	Buy	1	6180.2

## SCENARIOS

The table below indicates what the clients would expect to receive if they chose to close their trades on the same day, after one week and after one month.

Client	1 day				1 week				1 month				Stress Event									
	Close Price	P&L	Equity	Comm	Close Price	P&L	Equity	Comm	Financing	Dividends	Close Price	P&L	Equity	Comm	Financing	Dividends	Close Price	P&L	Equity	Comm	Financing	Dividends
A	5920.5	91	10091	-5	6107.5	1960	11960	-5	6.8	2.3	6668.5	7570	17570	-5	15.3	3	5730.2	-4500	500	-5	-23.1	-25.3
B	5920.5	-1	8999	-5	6107.5	-1870	8130	-5	-3.6	-3.6	6668.5	-7480	2520	-5	-16.1	-15.3	5730.2	-4500	500	-5	-23.1	-25.3
C	6120.9	635	10635	-5	6136.8	276	10276	-5	-2.1	-18.6	6210	-236	9744	-5	-12.2	-35.6	5730.2	-4500	500	-5	-23.1	-25.3
D	6086.6	-936	4064	-5	5989.5	-1907	3093	-5	0.9	-11.2							5730.2	-4500	500	-5	-23.1	-25.3

The equity shown at each time interval is equal to the unrealised profit and loss on the clients' accounts. Providing there are no other active trades on the clients' accounts if the clients close their position at each time interval the equity is equal to their account balance. The profit and loss figures for each trade will be subject to a commission charge and financing charge displayed. Trades held over-night are subject to financing charges and dividend adjustment costs as indicated in the table, further information for which can be found in the cost section.

Client A and B both enter opposing trades on the same trading day as indicated by the green arrow on the graph.

**Client A:** The market sustains a steady price where Client A continually makes a profit regardless of when they close their trades

**Client B:** The market sustains a steady price incline where Client B continually makes a loss regardless of when they close their trade.

**Client C:** The client enters the market as indicated by the blue arrow. The client makes a profit where they close their trade on the same day as the contract benefits from a decrease in price. If the client closed their position after a week, they would have a smaller profit margin as the price has increased but is still lower than C's opening price hence they still make a profit. The price incline continues against C's position and if they chose to close their position after one month they would suffer a loss in addition to paying increased financing and dividend charges having held their position for 30 days.

**Client D:** The client enters the market at the point shown by the orange arrow. The market sustains a steady price decline where Client B continually makes a loss regardless of whether they close their trade on the same day or after one week. If the client chose to keep their position open after one week they would incur a significant loss cause by the serious price drop during market volatility as indicated by the red arrow. During this trading day the contract price volatility was triggered by a news event. Due to insufficient funds on account and a losing position Client D has reached his Margin Close Out Level therefore his trade has been closed automatically at a loss. For further information on Margin Close Out Levels please see the LMAX trading manual <https://www.lmax.com/global/trading-manual>. In order for LMAX to accept an opening Order from clients, their Available to Trade Balance will normally be required to contain sufficient resources to cover the margin required for the Orders that they wish to place. The Margin Required to place an Order to open a trade is calculated by multiplying (a) the number of contracts requested (b) by the contract size (c) by the opening price shown (for a Market Order) or the specified price (for a Limit Order) (d) by the Margin Factor for the relevant Instrument. The Margin Close Out Level for LMAX Accounts is 70%.

## WHAT HAPPENS IF LMAX IS UNABLE TO PAY OUT?

You are exposed to the risk that the manufacturer might be unable to meet its obligations in connection with the product for instance in the event of bankruptcy or insolvency. This may materially adversely affect the value of the product and could lead you to incur a significant loss. Notwithstanding, we segregate your funds in line with the FCA's Client Money Rules. In addition, you are covered by the Financial Services Compensation Scheme. For further information see [www.fscs.org.uk](http://www.fscs.org.uk).

## WHAT ARE THE COSTS?

### Composition of Costs

#### One-off Transaction costs

Trading Commission %	We will charge a commission for each opening and closing trade on your Account. Unless otherwise agreed with you our commission is a flat fee per contract executed for Index CFDs. The <b>commission rates</b> that we charge are subject to change including but not limited to third party services.	<table border="1"> <thead> <tr> <th>Instruments</th> <th>Standard</th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>Indices</b></td> </tr> <tr> <td>AUD contracts</td> <td>\$0.20 AUD fixed per contract</td> </tr> <tr> <td>£ contracts</td> <td>£0.25 fixed per contract</td> </tr> <tr> <td>€ contracts</td> <td>€0.30 fixed per contract</td> </tr> <tr> <td>\$ contracts</td> <td>\$0.40 fixed per contract</td> </tr> <tr> <td>JPY contracts</td> <td>40 JPY fixed per contract</td> </tr> <tr> <td>HKD contracts</td> <td>1 HKD per contract</td> </tr> </tbody> </table>	Instruments	Standard	<b>Indices</b>		AUD contracts	\$0.20 AUD fixed per contract	£ contracts	£0.25 fixed per contract	€ contracts	€0.30 fixed per contract	\$ contracts	\$0.40 fixed per contract	JPY contracts	40 JPY fixed per contract	HKD contracts	1 HKD per contract
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#### Ongoing costs

Financing Charges (F)	<p><b>Financing charges</b> are applied to positions held overnight; these charges will be debited from or credited to your account. Please see the UI Trading Manual <a href="https://www.lmax.com/pdf/trading-manual">https://www.lmax.com/pdf/trading-manual</a> and MT4 Trading Manual for worked examples <a href="https://www.lmax.com/pdf/mt4-trading-manual">https://www.lmax.com/pdf/mt4-trading-manual</a>.</p>	<p><math>F = V \times I / b</math> where:  <b>V</b> = notional value of your trade (quantity x contract size x end of day closing mid-price)  <b>I</b> = applicable Financing Rate  <b>b</b> = day basis for currency</p> <p>The financing rate can be found in the LMAX Trading Manual.</p>
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## HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

LMAX Global does not provide you with any investment advice, our trading service is execution only and we execute trades based on your instructions.

## HOW DO I COMPLAIN?

If you have a complaint about any aspect of our service then we would like to hear from you. You can contact us by telephone or in writing, by post or fax on the details given below:

**Telephone:** +44 20 3192 2555 (Sun 22.05 to Fri 22.00 GMT). All calls will be recorded for compliance and training purposes

**Fax:** +44 20 3192 2500

**Email:** [info@LMAX.com](mailto:info@LMAX.com)

**Address:** LMAX Global, Yellow Building, 1A Nicholas Road, London W11 4AN, United Kingdom

For further information please see our complaints handling procedure at <https://www.lmax.com/pdf/Complaints-Policy.pdf>

## OTHER RELEVANT INFORMATION

If there is anything in this Notice you do not understand, please contact our Helpdesk.

List of Instruments: <https://www.lmax.com/pdf/Instrument-list-and-charges.pdf>

Complaints Policy: <https://www.lmax.com/pdf/Complaints-Policy.pdf>

Risk Warning Notice: <https://www.lmax.com/pdf/Complaints-Policy.pdf>

Terms of Business: <https://www.lmax.com/pdf/terms-of-business>

Trading Manual: <https://www.lmax.com/pdf/trading-manual>

MT4 Trading Manual: <https://www.lmax.com/pdf/mt4-trading-manual>