

Key Information Document – 1X CFDs on 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, costs, risks and potential gains or losses of this product and to help you compare it with other products.

Product: 1X contract for difference (“CFD”) on an **Index**

Manufacturer of the Product: Capital Com (UK) Limited is a company authorised and regulated by the Financial Conduct Authority (the “FCA”) with reference number 793714 and registered office at 2nd Floor, 4 The Broadway, Orchard Place, London, SW1H 0BF tel.: +44 (0) 20 3097 8888, website: <https://www.capital.com>. This Key Information Document was last updated in June 2023

ALERT: You are about to purchase a product that is not simple and may be difficult to understand. Our 1X CFDs are not suitable for everyone.

WHAT IS THIS PRODUCT?

Type: Capital Com (UK) Limited offers 1X contracts for difference (“1X CFDs”) across a range of underlying asset classes, including, but not limited to, equities, commodities and indices. A 1X CFD is a bilateral, 1:1 ratio (margin:trade size) contract between an investor and Capital Com (UK) Limited that allows speculation on rising prices without the use of leverage.

This document provides key information on 1X CFDs where the underlying investment option that you choose is an index (such as the FTSE100, DAX and Dow Jones). An index, or indice, typically represents a market capitalisation weighted price for the highest valued equities in the market. For example, the FTSE100 is a weighted average of the market capitalisation of the 100 most valuable stocks traded on the London Stock Exchange.

In a 1X CFD contract, one party agrees to pay the other the difference between the value of the financial instrument at the start of the contract and its value at the end of the contract. The client has no rights or obligations in respect of the underlying instruments or assets relating to the 1X CFD.

1X CFDs are complex products, generally used for speculative purposes. However, due to the lack of leverage, they are considered a lower risk product than leveraged CFDs.

A list of indices we offer 1X CFDs on can be found on our website and trading platforms.

Objective: A 1X CFD on an Index allows an investor to gain exposure to price movements in the underlying market. If you believe the price of a chosen Index will go up, you will open a 1X CFD position and buy the amount of 1X CFDs to meet your requirements. In other words, you ‘go long’. If the market moves up in your favour, you will make profit. However, if you miscalculate the direction of the market movement and the price drops contrary to your expectations, you will likely suffer losses (up to the amount you have invested).

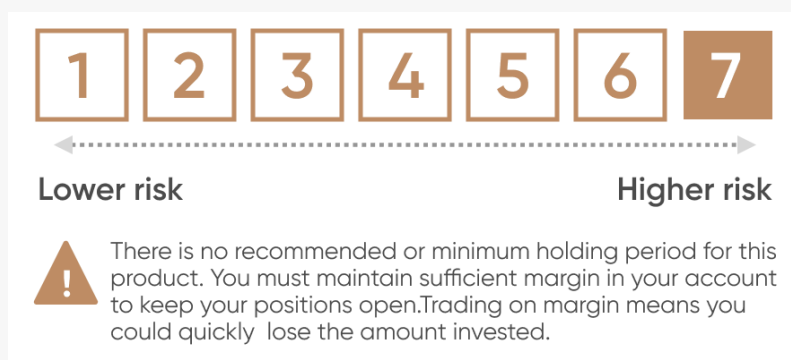
1X CFDs are non-leveraged derivatives, meaning your profit and loss moves on a one-for-one basis with the underlying market. To open a position, you are required to deposit the total value of the contract in your account. By way of example, if an investor purchased 1,000 1X CFDs at a price of 800p each, the value of the trade and therefore the deposit required would be GBP 8,000 (800p * 1,000). In this example, for every penny the price of the market moves, an investor would make or lose GBP 10 (up to the initial amount invested).

Term: 1X CFDs on an Index generally have no maturity date, nor any minimum holding period. You decide when to open and close your position(s). However, Capital Com (UK) Limited may in its discretion close your position(s) if deemed necessary to do so in accordance with our Terms & Conditions. Sufficient notice of any such closure will be given to you to the extent possible

Intended retail investor: 1X CFDs are intended for investors who have the necessary experience or knowledge in order to understand the risks involved in relation to derivative products. The intended investors will understand how the prices of 1X CFDs are derived and the fact that capital loss may occur. Investors should also have appropriate financial means and the ability to bear the loss of the initial amount invested.

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 unable to fulfil our obligations. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level (up to 100%).



Values may fluctuate significantly in times of high volatility or market/economic uncertainty. Our 1X CFDs are not listed on any exchange, and the rates and other conditions are set by us in accordance with our Order Execution Policy. The 1X CFD contract can only be closed with us and is not transferable to any other provider. If you have multiple positions with us, your risk may be cumulative and not limited to one position.

This product does not include any protection from future market performance so you could lose some or all of your initial investment, including running profits.

The total loss you may incur will never exceed your invested amount. 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 Capital Com (UK) Limited is unable to pay out?”). The indicator shown above does not consider this protection.

Be aware of currency risk. You may receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. **This risk is not considered in the indicator shown above.**

Performance Information:

The future performance of the underlying Index, transaction fees and currency fluctuations are the primary factors that determine the outcome of the investment. The most relevant benchmark for a 1X CFD on an Index is the underlying Index itself. It is reasonable to expect similar price movements with the exception of any additional spread added by Capital Com (UK) Limited, or any “fair value” adjustments made. It is important to consider the economic factors that can impact the future price of the underlying Index.

What could affect my return positively?

A favourable change in the price of the underlying Index from which the 1X CFD derives its price, or a favourable change in the exchange rate between the instrument currency and the client’s account currency.

What could affect my return negatively?

An unfavourable change in the price of the underlying Index from which the 1X CFD derives its price; a move in the currency in which the 1X CFD trades and/or a client’s currency of their trading account

and/or transaction fees associated with the instrument. Should the 1X CFD be closed under severely adverse market conditions, an investor should be prepared to lose their entire investment.

WHAT HAPPENS IF CAPITAL COM IS UNABLE TO PAY OUT?

Capital Com (UK) Limited segregates all retail client funds from its own money in accordance with FCA Handbook. Capital Com (UK) Limited is also a member of the Financial Services Compensation Scheme (the "FSCS"), which provides compensation for eligible investments should Capital Com (UK) Limited declare default. You may be entitled to compensation under the FSCS where we are unable to meet our duties and obligations arising from your claim. Whether you are able to claim depends on the type of business and your personal circumstances. Any compensation provided to you by the FSCS shall not exceed eighty-five thousand British Pounds (GBP 85,000) per person, per firm.

Full details are available on the FSCS' website: www.fscs.org.uk

WHAT ARE THE COSTS?

Before you begin to Spread Bet on Indices you should familiarise yourself with all associated costs and charges for which you will be liable. These charges will reduce any net profit or increase your potential losses. For more information on the associated costs and charges please visit our [website](#).

One-off costs	
<p>Spread % - Spread cost is variable and available per instrument on the website</p>	<p>Spread is the difference between the lower and the higher price of a given 1X CFD i.e. BID and ASK price. No separate commissions are paid. Our spreads are set at our absolute discretion and any changes are effective immediately.</p>
<p>Guaranteed stop loss A fee applied when a Guaranteed Stop Loss is executed.</p>	<p>When you choose to protect your position against slippage with a guaranteed stop loss order, you'll pay a small premium if the stop is triggered. Slippage refers to the difference between the expected price of a trade and the price at which the trade is actually executed.</p>
Additional costs	
<p>% - N/A</p>	<p>You should be aware of the possibility that other taxes or costs may exist that are not paid through or imposed by us. It is your sole responsibility to bear these additional costs.</p>

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

1X CFDs on Indices generally have no fixed term and will expire when you choose to close your positions or in the event that Capital Com (UK) Limited may issue you with notice of closure (or your positions are closed for any other reason in accordance with our Terms & Conditions). You should monitor the product to determine when the appropriate time is to close your position(s), which can be done at any time during market hours.

1X CFDs are intended for short to medium term trading, in some cases intraday. 1X CFDs are generally not suitable for long term investments. There is no recommended holding period. Capital Com (UK) Limited does not provide you with any investment advice, our trading service is execution only and we execute trades based on your instructions.

HOW CAN I COMPLAIN?

In the event you are dissatisfied about a financial product or service provided to you by Capital Com (UK) Limited, contact us to submit your complaint. Details of how to submit your complaint can be found [here](#).

OTHER RELEVANT INFORMATION

Further information with regards to this product can be found on our website in the “Markets” section, as well as on the trading platform and mobile applications. You should ensure that you read our legal documents, which include the Terms & Conditions, Risk Disclosure Statement, Order Execution Policy and Complaints Handling Policy. An indicative list with links to the relevant documents can be found [here](#).