

EXCHANGE TRADED FINANCIAL FUTURES

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.

GENERAL PRODUCT INFORMATION - EXCHANGE TRADED FINANCIAL FUTURES

Exchange Traded Financial Futures may be traded with different expiries and are either cash or physically settled. Further information is available from the relevant Exchange. Alternatively, you may contact our customer service team.

Product Manufacturer: The relevant Exchange e.g. ICE Futures Europe for FTSE 100 Index www.theice.com/futures-europe. Other Product and/or Exchange details available on request from our customer service team.

Product Distributor: ITI Capital Limited ("ITIC"), authorised and regulated by the Financial Conduct Authority in the United Kingdom. FCA Firm Registration Number 171487.

Further information: You can find out more about ITIC's products on our website www.iticapital.com or by contacting our dedicated customer service team on 020 3889 8333 or by email customerservice@iticapital.com

This document was last updated on 1st January 2018.

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

WHAT IS THIS PRODUCT?

TYPE

Financial Futures are derivative based contracts. A derivative is a financial contract, which derives its value from the value of another underlying instrument.

OBJECTIVES

A future is a derivative contract with which a Buyer and a Seller commit themselves to exchange a pre-determined quantity of a financial or real asset (the "Underlying" asset) at a pre-determined price, at a pre-determined future date (Expiry date). This Product creates a leveraged exposure to movements of the Underlying (e.g. FTSE 100 Index). The relationship between the value of this Product and the Underlying value at expiry is linear.

Before the Expiry date, the value of the Product depends on the value of the Underlying, on expectations on interest rates and remaining time to Expiry. Positions on this Product can be opened and closed on any day when the relevant Exchange is open for trading, during its trading hours.

In case opened positions are maintained until the Expiry date, for each owned standard contract traded ('Standard Contract' or 'Lot') the Buyer's payoff will be equal to the product of: the size of the Standard Contract ('Size') and the difference between (a) the value of the Underlying at Expiry ('Settlement Price') and (b) the price paid to open the position ('Futures price'), minus the total costs paid:

$\text{Size} \times (\text{Settlement price} - \text{Futures price}) - \text{Total costs}$

while the Seller's payoff will be symmetrical to the Buyer's payoff and equal to:

$\text{Size} \times (\text{Futures price} - \text{Settlement price}) - \text{Total costs}$

These Products do not have a minimum holding period, nor does ITI Capital recommend a specific holding period. These Products do have a pre-determined life span according to the Expiry date. If your account balance falls below the required threshold then ITIC reserves the right to close any or all positions on your account.

INTENDED RETAIL INVESTOR

This Product is not designed to be marketed to a specific type of investor, and can be used to hedge portfolio risks as well as for directional trading strategies. A retail investor should become familiar with the characteristics of this Product to make an informed decision on whether or not this Product fits their investment needs. If in doubt, a retail investor should obtain professional investment advice.

WHAT ARE THE RISKS AND WHAT CAN I GET IN RETURN?

1 2 3 4 5 6 7

← →
LOW RISK HIGH RISK



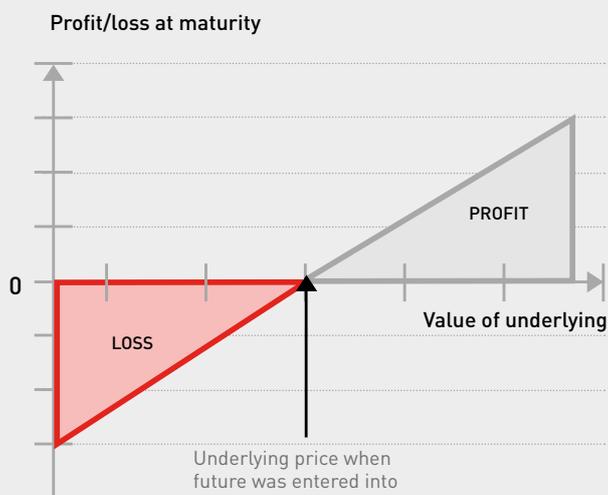
The Summary Risk Indicator (SRI) assumes you leave the product until the Expiry date. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts how much you get back.

Summary Risk Indicator (SRI): the SRI 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. We have classified this Product as 7 out of 7, which is the highest risk class.

This Product does not include any protection from future market performance so you could lose some or all of your investment, or more than your investment.

The maximum possible loss for the Buyer and the Seller at the Expiry date is described in the section "performance scenarios."

PERFORMANCE SCENARIOS



Profit/Loss = $\left(\frac{\text{Underlying price at maturity} - \text{underlying price at entry}}{\text{tick size}} \right) \times \text{tick value}$

This graph illustrates how your investment could perform at the Expiry date. You can compare it with the pay-off graphs of other derivatives. The graph presented gives a range of possible outcomes at the Expiry date and is not an exact indication of what you might get back. What you get will vary depending on the value of the Underlying at the Expiry date. For each value of the Underlying at the Expiry date, the graph shows what the profit or loss of the Product could be. The horizontal axis shows an indication of the Underlying value at the Expiry date. The vertical axis shows profit or loss.

Buying this Product (opening a long position) holds that you think the Underlying price will increase before the expiry date.

The Buyer of this Product can have a maximum loss equal to $\left[(\text{Futures price at which the position was opened} \times (\text{Size of the contract}) \times (\text{number of lots owned})) + (\text{total costs paid}) \right]$

Selling this Product (opening a short position) holds that you think the Underlying price will decrease before the expiry date.

The Seller of this Product can have an unlimited loss.

The graph does not include the costs that are necessary to trade the Product, and that are charged by relevant Exchange to the Member Firm of the Exchange (see section "What are the costs?"). It does not include other costs that are not directly charged by the Exchange, including the costs that you pay to your advisor or distributor such as commissions. This illustration does not take into account your personal tax situation, which may also affect how much you get back.

WHAT HAPPENS IF ITIC IS UNABLE TO PAY OUT?

If ITIC is unable to meet its financial obligations to you, this could cause you to lose the value of any contracts you have with ITIC. ITIC 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?

Assumptions: The position is held up to and closed on the contract expiry.

Composition of Costs: The table below shows (i) the impact of the different types of costs on the investment return you might get at the end of the assumed holding period and (ii) what the different cost categories mean.

This table shows the impact on return for a derivative contract with remaining time to expiry of 1 year

One-off costs of Entry and Exit	Spread	Variable amount	The spread is the difference between the bid (sell) and ask/offer (buy) price.
	Exchange fees	Variable amount	The relevant exchanges will charge certain fees and charges which are passed on by ITIC with no mark-up.
	Commissions	Variable amount	You will be charged a commission on each trade. We may at our discretion share a proportion of the commission charged with other parties such as a distributor that may have introduced you.
Ongoing costs	Margin	Variable amount	An 'Initial Margin' is charged by the relevant exchange on position open. Day by day the exchange will also charge a 'Variation Margin' dependant on price performance. Variation Margin may be debited or credited to your account.
	Incidental costs	Variable amount	There are no costs to keep the position open until the Expiry date. There are no hedging costs, as defined by the Law, to keep the position open until the Expiry date. Some contracts are denominated in foreign currency other than the base currency of your account and costs may be incurred in the conversion of currency to your base.

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

This Product does not have a minimum holding period, nor does ITIC recommend a specific holding period. Positions on this Product can be opened and closed on any day when the relevant market is open for trading, during its trading hours.

These Products do have a pre-determined life span according to the Expiry date. Positions can be closed before the Expiry. Alternatively, positions can be held until the Expiry date. You can choose when you want to close out your positions, depending on your investment strategy, your risk profile and expectations on future market conditions.

HOW CAN I COMPLAIN?

If you wish to submit a complaint you can contact our customer service team. We will address your complaint in accordance with our Complaints Policy. 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 should ensure that you read the terms of business, order execution policy and risk warning notice displayed on our website or available on request from our customer service team.



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RISK WARNING: Trading financial markets on margin carries a high level of risk, and may not be suitable as losses can exceed deposits.

DISCLAIMER: Trading financial markets on margin carries a high level of risk, and may not be suitable as losses can exceed deposits. You should be aware and fully understand all risks associated with financial markets and trading. Prior to trading any products offered by ITI Capital Limited, you should carefully consider your financial situation and your level of experience and understanding. ITI Capital Limited assumes no liability for errors, inaccuracies or omissions and does not warrant the accuracy, completeness of information, text, graphics, links or other items contained within these materials. You should read and understand the Terms and Conditions on the ITI Capital Limited website prior to taking further action.

ITI Capital Limited is a registered company in England and Wales (Registration No. 02926252), authorised and regulated in the United Kingdom by the Financial Conduct Authority (Registration No. 171487) and is a member of the London Stock Exchange and of ICE Europe. The registered address of ITI Capital Limited is Level 33 Tower 42, 25 Old Broad Street, London EC2N 1HQ, United Kingdom.

Web iticapital.com