

This document provides you with key investor information about this 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 investing in this product. Investors are advised to read this document, so they can make an informed decision about whether to invest. HYCM identifies this product as complex and as such it may be difficult for investors with no experience and/or no knowledge to understand.

Product – Cryptocurrencies (hereinafter “Crypto”)

These products are manufactured and distributed by Henyep Capital Markets (UK) Limited, FRN 186171, which is a subsidiary of the Henyep Group. Call +44 207 816 5902 or visit www.hycm.co.uk 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 an Over the Counter (OTC) leveraged financial instrument which value is determined based on the value of an underlying asset. The leverage effect is a typical characteristic of a CFD. A Crypto is a virtual currency that is not issued or backed by a central bank or government. The pricing of Cryptos is derived from specific cryptocurrency exchanges and are traded on cryptocurrency exchanges.

Objectives

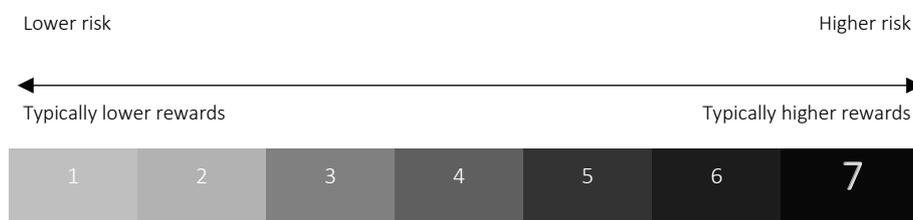
The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying crypto (whether that be upwards or downwards), without the need to actually buy, sell or otherwise transfer the underlying crypto. The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be put down upfront as initial margin. For every point the price of the product moves in the investor's favour, a gain multiple of the number of CFD units bought or sold are achieved. At every point the price moves against the investor, a loss will be incurred. For example, if you believe the value of Bitcoin CFD is going to increase, you would buy the Crypto (also known as "going long"), with the intention to later sell it when they are at a higher value. The difference between the buy and sell prices equates to your profit, minus any relevant costs (detailed below). If you think the value of Bitcoin CFD is going to decrease, you would sell the Crypto (also known as "going short") at a specific value, expecting to later buy it back at a lower price, resulting in us paying you the difference, minus any relevant costs (detailed below). However, in either circumstance if the Bitcoin CFD moves in the opposite direction and your position is closed, either by you or as a result of a margin call (detailed below), you would owe us the amount of any loss you have incurred together with any costs. To open a position and to protect us against any losses you incur, you are required to deposit a percentage of the total value of the contract in your account. This is referred to as the margin requirement. Trading on margin can enhance any losses or profits you make

Intended Retail Investor

Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who: **a)** have risk tolerance; **b)** are trading with money they can afford to lose; **c)** have experience with, and are comfortable trading on, financial markets and understand the impact of and risks associated with margin trading and **d)** their investment goals vary according to their needs from generally, speculation and short term exposure to the financial market/instrument to investment and long term exposure

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

The risk and reward Indicator



There is no recommended or minimum time period for holding this product. You may be forced due to the volatility of the market to buy or sell your CFD at a price that will significantly impact how much you get back.

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. Products that appear in a lower category do not guarantee a risk-free investment. These products are in this category because it can take higher risks in search of higher rewards and their price may rise and fall accordingly. **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. CFDs are leveraged products that, due to underlying market movement, can generate losses rapidly. There is no capital protection against market, credit or liquidity risks.

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. For example, maintaining a trading account in US Dollars and trading in CFDs that are not priced in US Dollars are subject to foreign exchange risks. This risk is not considered in the indicator shown above. In some circumstances you may need to make additional payments to compensate for losses. If the margin in your account falls below 50% of the total initial margin required for all the CFDs in your account, then we must close one or more of your positions. You could, therefore, lose your entire investment. However, the total loss you may incur will never exceed your invested amount. The Company offers **Negative Balance Protection** to its Clients.

Performance Scenarios

The performance scenarios represent general situations of changes in the prices of CFDs and the impact on the return of the client's investment in monetary terms. They are an estimate of future performance based on past evidence on how the value of this investment may vary, and are, by no means, an exact indicator. Any returns you receive depend on how the market performs and how long you hold the CFD for. The figures do not take into account rollover charges and/or your personal tax situation, which may also affect how much you get back. The stress scenario signifies what you may receive in extreme market circumstances and does not take into account a situation where we are not able to pay you. Table 1 below shows the money you could potentially profit or lose under different scenarios. Each of the performance scenarios is based on an account with only one open position. However, each scenario will also be impacted by any other open position(s) you have with us. The scenarios also assume you do not make any further deposits on your account to meet margin calls. Assuming you decide to buy 1 CFD lot of Bitcoin at 8,250.60 you will have notional exposure to the underlying asset of \$82,506. To cover the margin requirement, you will have to deposit at least \$41,253 which is 50% leading to a leverage of 1:2. In this scenario the Bitcoin has a tick position of 0.01, therefore multiplying the contract size by the tick position will result in how much you will make or lose for every tick movement, i.e. 1 USD.

Cryptocurrencies

Name	Symbol	Min. Spread	Lot Size	Min. Trade Size	Min. Fluctuation	Value Per Tick	Margin Req.	Margin Curr.	Leverage
BITCOIN CFD	BTCUSD	3500	10	0.01	0.01	1.00 USD	50%	USD	1:2
Bitcoin									
BTCUSD CFD Opening Price				P		8,250.60			
Trade size				T S		10 BTC			
Margin %				M		50%			
Margin Requirement (USD)				MR = P x TS x M		\$41,253			
Notional value of the trade				TN = MR/M		\$82,506			
Positive or Negative Slippage				(+) pips applied on closing price		P/L includes slippage			

Table 1

LONG Performance Scenario	Closing Price	Price Change	Profit/Loss	SHORT Performance Scenario	Closing Price	Price Change	Profit/Loss
Favourable	8,376.36 (+2)	1.50%	\$1,257.6	Favourable	8,128.84 (+2)	-1.50%	\$1,217.6
Moderate	8,293.85 (+2)	0.50%	\$432.5	Moderate	8,211.35 (+2)	-0.50%	\$392.5
Unfavourable	8,128.84 (+2)	-1.50%	-\$1,217.6	Unfavourable	8,376.36 (+2)	1.50%	-\$1,257.6
Stress	7,840.07 (+2)	-5%	-\$4,105.3	Stress	8,665.13 (+2)	5%	-\$4,145.3

What happens if HYCM is unable to pay out?

If HYCM is unable to meet its financial obligations to you, you may lose the value of your investment. However, HYCM segregates all retail client funds from its own money in accordance with FCA's Client Assets Rules. Further, HYCM is covered by the UK's Financial Services Compensation Scheme ("FSCS"). Investors may also email them by using the email address provided on the FSCS website at <http://www.fscs.org.uk>. As such, in the event that HYCM becomes insolvent and is unable to pay out to its clients, retail clients may be eligible to compensation of up to 50,000 GBP.

What are the costs?

The reduction in returns shows what impact the total costs you pay will have on the return you might get on your investment. The total costs take into account the one-off, ongoing and incidental costs. The amounts shown are the cumulative costs of the product, for three different holding periods. The figures assume you invest USD 1 000 and buy 0.02 lot of BTCUSD. The figures are estimates and may change in the future.

Investment (US\$1,000) Scenarios 0.02 BTCUSD BUY	If you close the position the same day (Intraday)	If you close the position after 1 day	If you close the position after 10 days
Total costs	[0.07%]	[0.0892%]	[0.172%]

The below table shows the different types of cost categories and their meaning as well as the impact these may have on your investment.

One-off Entry and Exit costs	Spread	0.07%	The difference between the buy price (“offer price”) and the sell price (“bid price”) is called the spread. This cost is realised each time you open and close a trade. A fixed spread is offered in most circumstances. A dynamic spread is applicable to certain product offerings. For example: BTCUSD is trading at 8250.600 Sell (Bid) and 8285.60 Buy (Ask) the difference is 35 which is 3500 pips and equal to \$ 7 cost for opening a trade (a round lot).
	Currency Conversion	N/A	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.
	Commission	N/A	You may be charged a commission on each trade. For all types of CFDs offered, the commission is not incorporated into the quoted price and instead will be agreed with you before entering into any transaction and will be shown on the statement sent to you. In such an event, the Commissions will be charged to the Account. Commissions and charges may be changed from time to time without prior notice. However, commission is applicable to HYCM raw account type and Crypto are not provided under this account type.
	Mark-Up (where applicable)	N/A	The prices on which you are trading may include a mark-up which is a charge on the spread as received from the liquidity/price provider
Ongoing costs	Rollover Charge	0.0092%	For every night that a position is held open, a rollover (swap) charge is applied. The rollover charge can be positive or negative depending on the direction of an investor’s position and the applicable interest rate. The longer the position is held, the more rollover charges will accrue. For example: if you keep a trade for BTCUSD overnight, for both Buy and Sell trades 20% fee is charged. If we consider the BTCUSD price 8250, then you will be charged approximately \$0.92 per night for a 0.02 lot trade.
Other Costs	Dormant Fees	Fixed Cost	An account is considered dormant or inactive if there has been no activity for a continuous period of 90 days. These accounts will be charged an administration fee of US \$10.00 (or the equivalent value in the account base currency) every month until account activity resumes; the account is closed; or if the account balance reaches zero (0).
	Withdraw Fees	Fixed Cost	Withdrawals via Wire Transfer of less than US\$300 are charged with a handling fee of US\$30. Please also note that the sending and correspondent bank may charge a fee according to their own fee structure.
	Deposit Fees	N/A	HYCM will not apply any charges for depositing funds into the Account. Depositing funds can be done either by credit card payment, bank transfer or any other available payment options we offer online. Please note that when depositing via Wire Transfer, the sending and correspondent bank may charge a fee according to their own fee structure
Incidental Costs	Slippage	0.01%	Slippage refers to the difference between the expected price of a trade and the price at which the trade is executed. Prices of the financial instruments change several times in a second and this may cause the trading system to execute a trade at a different than the requested price. For example: trading BTCUSD and you want to close your trade with the price 8250.60 but the system executed with the next available price 8255.60 or 8245.60 which may result your trade with \$1 more profit or loss.

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

There is no recommended holding period but CFDs are usually held for less than 24 hours. You can open and close a CFD on a Crypto at any time during market hours. There is no cancellation period and therefore no cancellation fees. CFDs will expire when the investor chooses to exit the product or in the event the investor does not have available margin.

How can I complain?

In the event of a complaint arising the Compliance department is responsible for the supervision of the complaints resolution process and can be contacted at the following address: *The Compliance Officer, Henyp Capital Markets (UK) Limited, 18 King William Street, London EC4N 7BP, United Kingdom* or by e-mailing: complaints@hycm.com. If you are not satisfied with our response to your complaint, you may refer the complaint to the Financial Ombudsman Services. See www.financial-ombudsman.org.uk. For more information please visit the Company’s website to view the [Complaints Policy](#).

Other relevant information

Investors must check [Terms of Business](#) and [Legal Documents](#) regularly, they can be updated them at any time without prior notice. Investors must agree to any changes if they wish to continue to use the services or features of the trading platform after the terms and conditions have been updated.