

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.

Long Spread Bet Options are offered by **CMC Spreadbet plc** (“CMC”), a company registered in England and Wales, number 02589529. CMC Spreadbet plc is authorised and regulated by the Financial Conduct Authority in the United Kingdom, register number 170627. Call 020 7170 8200 or go to www.cmcmarkets.com 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?

Options are financial derivative instruments. This product is a Long Spread Bet Option (“**Long SB Option**”) entered into with CMC on a bilateral basis. It allows an investor to speculate on rising or falling prices in an underlying instrument (or in volatility) by betting an amount per point, known as the Stake, on the Long SB Option.

You can enter two types of Long SB Options, either:

- A Call Option, which provides the holder (buyer) with a right (but not an obligation) to buy an underlying asset at the Strike Price or, where an option is cash-settled, receive a cash payment if the underlying price is above the Strike Price, at a specified Expiration Date and Expiration Time. If you are the writer (seller) of a Call Option you have the obligation to sell an underlying asset, or where an option is cash-settled, make a cash payment if the holder exercises the option. When spread betting with CMC, Long SB Options are always cash settled and the settlement of a Long SB Option will not result in the acquisition of any underlying asset.
- A Put Option provides the holder (buyer) with a right (but not an obligation) to sell an underlying asset at the Strike Price or, where an option is cash-settled, receive a cash payment if the underlying price is below the Strike Price, at a specified Expiration Date and Expiration Time. If you are the writer (seller) of a Put Option, you have the obligation to buy an underlying asset, or where an option is cash-settled, make a cash payment if the holder exercises the option. When spread betting with CMC, Long SB Options are always cash settled and the settlement of a Long SB Option will not result in the acquisition of any underlying asset.

In respect of Long SB Options, other factors that can impact the value include but are not limited to, the remaining time to expiry or implied volatility of the underlying asset. This means that even if the value of the underlying asset has not changed, the value of the SB Option may change and decrease.

To open a Position on a SB Option, you must pay a Margin deposit, which corresponds to a percentage of the total value of the Position. The calculation of that Margin is outlined in CMC’s Next Generation Costs Disclosure document available on [our website](#). Your Long SB Option will automatically come to an end at the specified time on the Expiry Date. If the relevant attributes are met on the Expiry Date (in respect of the Strike Price), the option will be ‘in the money’ and your option will be automatically exercised. If the relevant attributes are not met on the Expiry Date (in respect of the Strike Price), the option will be ‘out of the money’, so your option will not be exercised and will automatically expire.

Objectives

The objective of a Long SB Option is to allow an investor to express a view on volatility or direction, and the movement in the value of the underlying asset (whether up or down), but without having a guaranteed obligation to buy or sell in the underlying market at the strike price. An investor’s potential losses for a Long SB Option are limited to the amount of the Margin used to open the Position.

There is no recommended holding period for a Long SB Option, and it is down to the discretion of each individual investor to determine the most appropriate holding period based on their own individual trading strategy and objectives. CMC retains the ability to unilaterally terminate any Long SB Option where it deems that the terms of that Contract have been breached.

Intended Retail Investor

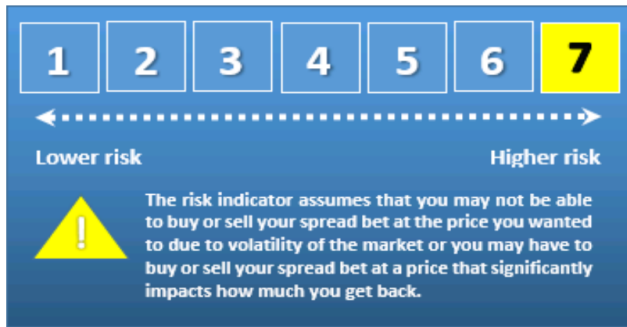
Long SB Options are intended for investors who have knowledge of, or experience with, investment products such as derivatives. Likely investors will understand how the prices of put and call options are derived.

They will understand the risk/reward profile of the product compared to traditional share dealing, and desired exposure to an underlying asset. Investors will also have appropriate financial means, hold other investment types

and have the ability to bear losses of the total amount invested (i.e. the Margin paid for the Long SB Option).

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

Risk indicator



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. This rates the potential losses from future performance of the product at a very high level.

Long SB Options are complex instruments. There is no capital protection against market risk, credit risk or liquidity risk.

Be aware of currency risk. It is possible to buy a Long SB Option 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. This risk is not considered in the indicator shown above.

This product does not include any protection from future market performance so you could lose some or all of your investment. 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 we are unable to pay you"). The indicator shown above does not consider this protection.

Investment Performance Information

What are the main factors likely to affect your future returns?

Market Risk is the risk that the value of the underlying market that the Long SB Option is derived from will increase or decrease due to changes in market risk factors. The standard market risk factors are price movements, volatility, time to expiration, interest rates and foreign exchange rates (where applicable).

What could affect my return positively?

Favourable changes in the market risk factors for the underlying market may positively impact the value of your Position.

What could affect my return negatively?

Unfavourable changes in the market risk factors for the underlying market and your trading costs, including any third-party costs, may negatively impact the value of your Position.

What outcome might you expect where the Contract is closed under severely adverse market conditions?

Under severely adverse market conditions, you are at risk of losing the entire Margin that you paid for your Long SB Option.

What happens if CMC Spreadbet plc is unable to pay out?

If CMC is unable to meet its financial obligations to you, you may lose the value of your investment. However, CMC segregates all retail client funds from its own money in accordance with the UK FCA's Client Asset rules. CMC also participates in the UK's Financial Services Compensation Scheme (FSCS) which covers eligible investments up to £85,000 per person, per firm. See www.fscs.org.uk.

What are the costs?

This table shows the different types of cost categories and their meaning

One-off costs	Entry costs	Spread	The impact of the costs you pay when entering your investment, which includes spread costs
	Exit costs	Spread and currency conversion (where applicable)	The impact of the costs you pay when exiting your investment, which includes spread cost and currency conversion costs (where the account currency is different from the currency for the Long SB Option)
Ongoing costs	Portfolio transaction costs	Not applicable	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	Not applicable	The impact of the costs we take for any ongoing administration of your investment.
Incidental Costs	Performance related fees	Not applicable	The impact of the costs for any performance related fees payable in connection with your investment
	Carried interest	Not applicable	The impact of any carried interest costs related to your investment

There are no ongoing or incidental costs charged by CMC. Further information on the specific costs applicable to CMC's Long SB Options can be found in our Next Generation Costs Disclosure document available on our website.

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

Long SB Options are intended for short term trading, but also for longer term investments in cases where the SB Options have far dated Expiry Dates.

There is no recommended holding period, no cancellation period and therefore no cancellation fees. You can open and close a Long SB Option at any time during trading hours prior to the Expiry Date/ Time at which point your Long SB Option will automatically close.

How can I complain?

If you wish to make a complaint, you should contact our Client Management Team on 020 7170 8200 or by emailing clientmanagement@cmcmarkets.co.uk or in writing to CMC Markets UK plc, 133 Houndsditch, London EC3A 7BX. If you do not feel that your complaint has been resolved satisfactorily, you may refer your complaint to the Financial Ombudsman Service (FOS). See www.financial-ombudsman.org.uk for further information. If your complaint is about an advisory or discretionary manager acting on your account, please contact the firm providing the service.

Other relevant information

If there is a time lag between the time you place your order and the moment it is executed, your order may not be executed at the price you expected. Ensure your internet signal strength is sufficient before trading.

The Legal Documents section of our website contains important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account.

The Product Overview on our platform contains additional information on trading a Long SB Option. Additional information on costs can be found on our website.