

## Key Information Document – CFD on FX

This document provides you with key information about the Company's investment products. It is not a marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of these products and to help you compare it with other products.

### What is this product?

#### Type

A CFD is a leveraged contract entered into with **VISTA BROKERS** eCompany on a bilateral basis settled in cash. It allows an investor to speculate on rising or falling prices on an underlying FX pair. An FX pair (e.g. EUR/USD) involves the simultaneous buying and selling of two different currencies. The first currency referenced in a currency pair is known as the base currency (EUR) and the second (USD) as the Quote currency. The price of the CFD on an FX pair is derived from the price of the underlying FX pair which is the current spot price. An investor has the choice to buy or sell the currency pair if they think the price of the base currency will rise in relation to the Quote currency or to sell or go short the currency pair if they think the price of the Quote currency will rise in relation to the base currency.

CFDs are leveraged products and leverage is customized and set by the client. At the end of the day any open positions are rolled over and charged a daily swap fee. Please note that margin trading requires extra caution because whilst you can realize large profits if the price moves in your favor, you risk extensive losses if the price moves against you. Failure to deposit additional funds in order to meet the maintenance margin requirement as a result of a negative price movement may result in the CFD being auto-closed. This will occur when your remaining account equity falls below the maintenance margin requirement. The CFD on an FX pair does not have a pre-defined maturity date and it therefore open-ended.

#### Objectives

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying FX Pair (whether up or down), without owning the physical FX pair. 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 example, if an investor buys 1 lot of CFD (1 lot equals 100,000) on EUR/USD with an initial margin amount of 0.2% and an underlying EUR/USD price of the initial investment will be EUR or the equivalent in your account's currency. The effect of leverage in this case is 500:1 (1/0.002). Based on the trade size above for each 1-point change in the price of the underlying FX pair, the value of the CFD changes by \$10. For instance, if the investor is long and the market increases in value, a \$10 profit will be made for every 1-point increase in that market. However, if the market decreases in value, a \$10 loss will be incurred for each point the market decreases in value. Conversely, if an investor holds a short position, a profit is made in line with any decreases in that market, and a loss for any increases in that market.

#### Intended Retail Investor

CFDs are intended for investors who have knowledge of, or are experienced with, leveraged products and that understand how the prices of CFDs are derived, the key concepts of margin and leverage, the fact that losses may be of total invested amount and have the appropriate financial means to bear losses of the entire amount invested.

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

#### Risk Indicator

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Lower Risk
Higher Risk

The risk indicator assumes that you may be able to buy or sell your CFD at the price you wanted to due to volatility of the market or you may have to buy or sell your CFD at a price that significantly impacts 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 the market movements.

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.

The investor can lose the entire investment capital taken as the security deposits for opening a trade on the product item. There is no capital protection against market, credit or liquidity risk.

- **Be aware of Currency Risk:** It is possible to buy or sell CFDs on a commodity 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.
- **Leverage Trading:** It magnifies the losses of price movements and failure to deposit additional funds may result in the CFD being auto-closed.
- **Force Closure Risk:** Investing in CFDs runs the risk of positions being force closed by the Company without the investors consent, due to abrupt movements in the underlying financial instrument alongside the use of leverage (margin trading), in the event an investors margin level reaches a pre-determined rate or more information see RCosts Charges section below).
- You are also subject to risks related to internet failures, communication failures and del ays or account password theft.

***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 the Company is unable to pay you](#) ). The indicator shown above does not consider this protection.***

***There may be other risk factors with significant direct impact on the capital and return of investing in CFDs.***

### Performance Scenarios

The scenarios shown below illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the market performs and how long you hold the CFD. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

The following assumptions have been used to create the scenarios in **Table 1**:

FX CFD (held intraday)		
FX Pair opening price:	P	1.1977
Trade size (per CFD):	TS	1 lot
Margin %:	M	0.50%
Margin Requirements (EUR):	MR = P x TS x M	500
Notional value of the trade (EUR)	TN = MR/M	100,000

**Table 1:**

LONG Performance Scenario	Closing Price	Price Change	Profit/Loss	SHORT Performance Scenario	Closing Price	Price Change	Profit/Loss
Favourable	1.2156	1.50%	1473	Favourable	1.1797	-1.50%	1256
Moderate	1.2037	0.50%	498	Moderate	1.1917	-0.50%	503
Unfavourable	1.1797	-1.50%	-1526*	Unfavourable	1.2157	1.50%	-1481*
Stress	1.1378	-5%	-5265*	Stress	1.2576	5%	-4764*

- [?] The loss is restricted to your account balance as we offer Negative Balance Protection.**
- [?] Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.**

The scenarios presented are not an exact indicator of future performance, but an estimation to that effect. What You will get will vary depending on how the market performs and how long You keep the investment/product. The figures do not take into account your personal tax situation, which may also affect how much you get back.

### What happens if the Company is unable to pay out?

The Company is a member of the Investor Compensation Fund (ICF - private legal entity) which if the Company categorized You as a Retail Client and fails to return to Your funds owed in case of insolvency of the Company, you may direct to the ICF. ICF may

compensate You for claims up to 20,000. If Your claim exceeds the 20,000 then You will be only entitled to receive a maximum of the equivalent of 20,000. Further information on ICF can be found [here](#).

## What are the Costs & Charges?

### Pricing and other Related Information

Before you begin to trade CFDs on Indices, you should familiarise yourself with all one-off and recurring costs for which you will be liable. These charges will reduce any net profit or increase your losses. More information on these can be found on our website.

One Off Costs		<a href="#">[LINK]</a>
Spread	<p>The difference between the bid and the ask price at the time of the conclusion of the transaction. The cost can be different depending on market conditions.</p> <p><b>*Example 1:</b> The spread on the UK 100 is 1.0, calculated by subtracting 6446.7 (sell price) from 6447.7 (buy price).</p> <p><b>*Example 2:</b> The spread on the GBP/USD is 0.9. If you subtract 1.65364 from 1.65373, that equals 0.00009, but as the spread is based on the last large number in the price quote, it equates to a spread of 0.9.</p>	
Commission	The fee to be charged at the opening and closing of the transaction. The fee applies only to Standard and Premium Accounts	
Exchange Fees	The fee to be charged at the opening and closing of the transaction for converting instrument currency to the account currency	
Recurring Costs		
Swap Rates	<p>Holding positions for another day results in the charge of fee</p> <p><i>The calculation for swaps is as follows: Swap = (one pip / exchange rate) * (trade size) * (swap value in points).</i></p>	

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

CFDs are intended for short term trading, in some cases intraday and are generally not suitable for long-term investment. There is no recommended holding period and no cancellation period. You can open and close a CFD on Energies at any time during the market trading hours of each CFD.

## How can I complain?

An Online Complaint Form is available at the Company's website which shall be filled and submitted by You to the Company's Compliance department directly from the website. For more information please see our Complaints Procedure.

## Other relevant information

We draw your attention to the following information documents to be made available by Law, which are available [here](#).

**Client Agreement** – the contract based on which we provide investment services to you and contains the terms and conditions that govern our business relationship.

**Best Interest and Order Execution Policy** – summarizes the process by which we execute your orders.

**Risk Disclosure** – summarizes the main risks investing in CFDs

**Conflicts of Interests Policy** – outlines the manner in which we identify, manage or control any conflicts of interest that may arise during the course of our business activities

**Privacy Policy** – explains how we deal with certain information you provide us with.