



Key Information Document (“KID”)

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.

Product

Name of the Product: CFDs on currency pairs

Manufacturer: Vistabrokers CIF LTD (the "Company"), authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC) with CIF license number 190/13, with head office at 8, John Kennedy Street, IRIS House, Block I, 5th Floor, Office 540AB, CY-3106 Limassol / P.O.Box 58217, CY-3732 Limassol, Cyprus. For more information, you can visit the Company's website at www.vistabrokers.com.

Caution: You are about to purchase a product that is not simple and may be difficult to understand

Date of last review of this document: 28th July 2020

What is the product?

Type:

The product enables you to have exposure to fluctuations related to the underlying CFDs on currency pairs without physically owning it. CFDs on currency pairs is a type of Contract for Differences (CFD) which is an agreement between a buyer and a seller to exchange the difference in value of a particular underlying instrument for the period between when the contract is opened and when it is closed. The difference to be exchanged is determined daily by the change in the closing reference price of the underlying instrument. Thus, if the underlying instrument rises in price, the buyer receives cash from the seller and vice versa.

Objectives:

The objective of a CFD on currency pairs is to speculate on the performance of an underlying currency pair without actually owning these currencies. You will achieve profit if your speculation on the performance (positive or negative performance) was correct, with the difference between the opening price and closing price of the underlying asset as the performance or suffer a loss in your trading balance. Please note that your trading balance cannot go beyond 50% of your total investment amount.

For further information regarding "margin" please read the Company's Order Execution Policy.

Who is this account most suitable for?

Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who:

- (i) have a high risk tolerance;
- (ii) are trading with money they can afford to lose;

- (iii) have experience with, and are comfortable trading on, financial markets and, separately, understand the impact of and risks associated with margin trading; and
- (iv) want to gain short term exposures to financial instruments/markets, and have a diversified investment and savings portfolio.

Who is this account not suitable for?

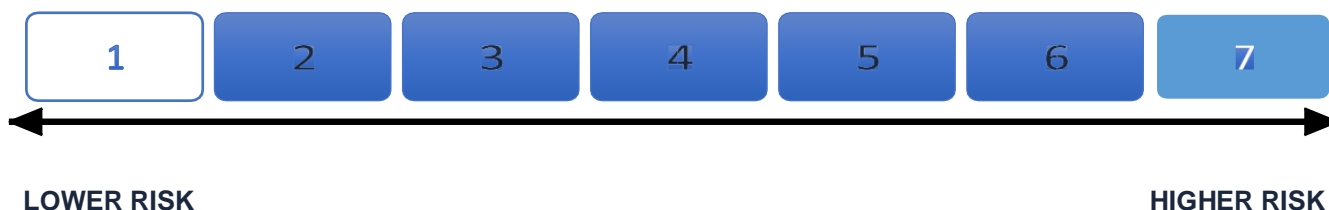
- (i) Clients that are risk intolerant;
- (ii) Clients who do not want to be subjected to volatile markets;
- (iii) Clients who want capital protection.

Term

CFDs on currency pairs generally have no maturity date or minimum holding period. We may close your position(s) without seeking your prior consent if you do not maintain sufficient margin in your account. The Client may be called upon to deposit substantial additional margin, at short notice based on the margin level, to maintain his/her investment. If the Client does not provide such additional funds within the time required, his/her investment position may be closed. The stop out level is currently at 50%. This means that if your margin level falls below the stop out level of 50%, you will receive a stop out and your open positions will start liquidating, without any notice by us to you, starting from the position with highest losses. Client needs to ensure that they have sufficient funds in their trading account(s), at all times, in order to maintain their open position. All clients need to continuously monitor any open positions to avoid positions being closed due to insufficient funds being available on their account. We have right to change this stop out level at our discretion.

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

Summary 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 at a very high level. as this is a leveraged financial derivative and a small movement in the underlying market may have a large impact on the value of the CFD. The CFD products that we offer are not listed on a regulated market, and can only be closed with Vistabrokers CIF Ltd and not with any other CFD provider. If you fail to maintain an adequate margin deposit to cover any losses, we may close your position without further reference to you. Be aware of currency risk. You may receive payments in different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator above. This product does not include any protection from future market performance and in some circumstances you may be required to make further payments to maintain your position. As a retail client, the total loss you may incur is limited to the funds in your trading account. If we are not able to pay you what is owed, you could lose your entire deposit, however, you may benefit from the Financial Services Compensation Scheme. The indicator shown above does not consider this protection.

Performance Examples

The below table illustrates how your investment could perform (i.e. Potential profit and loss) under different scenarios.

| Long Performance Scenario | Closing Price | Price Change | Profit/Loss in USD |
|---------------------------|---------------|--------------|---|
| Favorable | 1.205344 | +1% | $(1.205344/1.19341 - 1) \times 30 \times 100 = 30$ profit |
| Moderate | 1.187442 | -0.5% | $(1.187442/1.19341 - 1) \times 30 \times 100 = -15$ loss |
| Unfavorable | 1.181476 | -1% | $(1.181476/1.19341 - 1) \times 30 \times 100 = -30$ loss |
| Stress | 1.133739 | -5% | $(1.133739/1.19341 - 1) \times 30 \times 100 = -150$ loss |

You can compare them with other derivatives. The scenarios give a range of possible outcomes and are not an exact indication of what you might get back. What you get will vary depending on how the underlying will perform as well as the leverage selected. Buying this product allows you to speculate on currency pairs movements i.e. whether their prices will increase or decrease. Your trading balance cannot go beyond 50% of your total investment amount. The figures shown include all the costs of the product itself excluding commission and other fees, which can be found at the section **General Fees** in the Company's website. 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** (hereinafter called the "Fund") which covers nonprofessional clients as defined in the Investor Compensation Fund policy in circumstances when the Company is either unable to return to its covered clients funds owed to them and/or unable to return financial instruments to the covered clients which the Company holds or controls in its accounts on behalf of the clients. The maximum amount of compensation that a covered client can receive by the Fund is €20,000 (Euro Twenty Thousand).

What are the costs?

Before you begin to trade CFDs on currency pairs you should familiarize yourself with all one-off, ongoing, and incidental costs for which you will be liable. These charges will reduce any net profit or increase your losses. For more information please visit the section **General Fees** found on our website

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

CFDs are generally not suitable for long term investments and are intended for short term trading. There is no minimum and/ or recommended holding period for CFDs. As such, you can open and close a CFD at any time during market hours. Such a decision is not related to any extraordinary costs, other than standard item closure costs. Sale of the product does not change the product risk profile. Note that Vistabrokers CIF Ltd may close your position without asking your prior consent if there is no sufficient margin in your account. You can request a withdrawal of available funds on your account at any time.

How can I complain?

For any complaints regarding the content and/or related to this KID email us at complain@vistabrokers.com or by post at Flat 302, 131 Athalassas Avenue, Strovolos, 2015, Nicosia, Cyprus.

Other relevant information

For any information not found in this KID or the Company's website at www.vistabrokers.com contact us by e-mail at support@vistabrokers.com or by post to Flat 302, 131 Athalassas Avenue, Strovolos, 2015, Nicosia, Cyprus.