Key Information Document

1. Introduction

Contracts for Difference (CFDs) are financial instruments that allow you to trade on the price movements of various assets without owning the underlying asset itself. By entering into a CFD, you agree to exchange the difference in the value of an asset between the time the contract is opened and the time it is closed.

Objective: CFDs are designed to enable traders to speculate on the price changes of financial assets such as stocks, indices, currencies, and commodities. They are typically used for both short-term trading and longer-term investment strategies.

Leverage: Leverage allows you to control a larger position size with a smaller amount of capital. For instance, with a leverage of 1:30, you can control a position worth $30,000 with an initial investment of $1,000. While leverage can amplify gains, it also increases the risk of losses, which can exceed your initial investment.

2. Risk and Reward Profile

Risk Level: CFDs are considered high-risk investments. The use of leverage means that both profits and losses can be significantly magnified. This makes CFDs suitable primarily for experienced investors who understand the risks involved.

Potential Gains: Due to the leverage offered in CFD trading, you have the potential to make significant returns. For example, if you correctly anticipate a price movement, your profits could be substantial relative to your initial investment. However, there are no guarantees of profit.

Potential Losses: Conversely, if the market moves against your position, losses can exceed your initial investment. You may be required to deposit additional funds to cover losses. It is crucial to manage risk carefully and use tools such as stop-loss orders to limit potential losses.

Summary Risk Indicator: CFDs typically have a high-risk profile, and the risk indicator used in our documentation reflects this. Investors should be aware that high-risk investments can lead to substantial losses.

3. Costs

Spread: The spread is the difference between the buy (ask) price and the sell (bid) price of the CFD. This cost is inherent in every trade and can vary depending on market conditions and the asset being traded.

Commission: Some CFD trades may incur a commission fee, which is a percentage of the transaction value. This fee compensates the broker for executing the trade. Please check our fee schedule for details on commission rates.

Overnight Fees: If you hold a CFD position overnight, you may incur an overnight fee or financing charge. This fee is typically based on the interest rates applied to the position and can affect your overall trading costs.

Other Charges: Additional charges may apply depending on specific trading conditions or account types. It is important to review our complete fee schedule to understand all potential costs associated with CFD trading.

4. Performance Scenarios

Best Case Scenario: In a favorable market scenario, if you correctly predict the price movement of the asset and use leverage effectively, you could achieve significant gains. For instance, a 5% increase in the asset's price could result in a 150% profit on your initial investment, depending on the leverage used.

Worst Case Scenario: In a less favorable scenario, if the market moves against your position, you could face substantial losses. For example, a 5% decrease in the asset's price could lead to a 150% loss on your investment, especially with high leverage.

Likely Scenario: Based on historical data and market trends, a typical scenario might involve moderate fluctuations in the asset's price, resulting in gains or losses that align with your initial investment size and leverage used. It's essential to have realistic expectations and consider market conditions when trading CFDs.

While trading and investing offer opportunities for financial growth, it's important to recognize that they also carry inherent risks.
Market conditions can fluctuate, and the value of investments may vary over time.