

# Key Facts Statement - CFDs

## Purpose of this Document:

The Key Facts Statement provides aspects of material significance about this investment product. The provision of this information to clients is required by section 18(5)(c) of the Financial Consumer Protection Act 2022, to help you understand the nature, risks, costs, potential gains and losses of this product. While you may use this document to compare this investment product with other investment products, this document does not constitute and/or should not be regarded as marketing material.

**Company Name: Trinota Markets (Global) Limited**

**License Type and Number: Securities Dealer License, SD035**

**Name of the Product: Contract for Differences**

## Product Description:

### Type

A contract for difference (“CFD”) is a leveraged contract product entered into with the Company on a bilateral basis. It is a derivative product with an underlying asset as its basis; it is traded over-the-counter and not through a regulated market. With a CFD, you trade on the price development of nearly every underlying asset, including those which are considered difficult or nearly impossible to trade. The profit or loss is calculated by determining the difference in position opening and closing price of the underlying asset which can be a currency, commodity, index, share etc.

A CFD is a leveraged product, which means you only pay a margin (collateral), which corresponds to a fraction of the actual position value. When opening a CFD position, you decide if you want to invest in rising or falling prices for the underlying asset. Once you close and open a CFD position, the price change will be determined. At closing the difference between the price at the opening of the position and the price at the closing of the position will be calculated. The difference multiplied by your traded volume determines your profit or loss, depending on if it has been set for falling or rising.

### Objectives

The objective of trading CFDs is to speculate on the price movement generally over a short-term trading. Investors can have a leveraged exposure to an underlying instrument without the need to buy (or own) the actual instrument.

The leveraged nature of CFD trading enables investors to deposit only a portion of the notional value of the contract traded as initial margin. There is no determined or recommended holding period for the contract. The investor should decide when to open and close a CFD trade. Investors trading in CFD’s should have an adequate balance on their account, and if needed, deposit additional funds, to avoid any closures on open positions.

### Intended Investor

CFD trading is intended for investors who have investment knowledge and/or trading experience with leveraged products. Investors should be aware that CFD trading could result in losing all the funds available in their account for trading, including any profits realized, and as such, they should only trade with capital they can afford to lose. Investors shall understand that CFD trading can lead to high returns as well as high losses in a short period of time and shall be in a position to understand the difference and risk/reward profile between CFD trading and trading of traditional shares.

## Risks & Returns

**CFD trading carries a risk of losing all your initial deposit and/or investment, because CFD’s are traded on margin. An adequate margin should be maintained in your account to avoid any closure in your open position(s) or possible stop outs.**

**Trading on margin with CFD’s is highly speculative and carries a high level of risk. You should consider your investment objectives, risk tolerance and experience before deciding to trade in such products. CFD trading is not suitable for all investors. Investors trading in CFDs should understand the risks involved, including the possibility to lose all your capital.**

**If you are not in a position to understand all of CFD trading risks, you might consider seeking independent advice.**

### Performance Scenarios

The Key Information Document applies to any CFD instrument. For each trade, you will be responsible for choosing the instrument, when you open and close, the trade size and whether to use any risk mitigation features (such as stop loss orders). Each instrument has different characteristics such as lot sizes (number of units i.e. CFD on currency pairs are traded on 100,000 units) or pip value (price move).

### Assumptions Used:

CFD Portfolio - CFD on Currency Pair		
<i>Open a position on single CFD instrument EURUSD</i>		
Opening Price	OP	1.18025
Trade size (per CFD)	TS	10000
Lots size	LS	0.1
Margin %	M	3.33% (Leverage 1:30)
Margin Requirement (USD)	$MR = OP \times TS \times M \times LS$	393.41
Notional Value of the Trade (USD)	N	11,802.50

### Performance Scenarios

LONG Performance Scenario	Closing Price	Price Change	Profit /Loss
Favorable	1.18615	0.0059	\$59.01
Moderate	1.18214	0.0019	\$18.88
Unfavorable	1.17836	-0.0019	-\$18.88
Stress	1.17435	-0.0059	-\$59.01

SHORT Performance Scenario	Closing Price	Price Change	Profit /Loss
Favorable	1.17435	-0.0059	59.01
Moderate	1.17836	-0.0019	18.88
Unfavorable	1.18214	0.0019	-18.88
Stress	1.18615	0.0059	-59.01

### Associated Costs:

Depending on the product you trade, you may incur some or all of the following costs:

This table shows the different types of costs related to trading CFDs			
One-off entry or exit costs	Spread	Applicable to all instruments	A spread is the difference between the bid (buy) and the ask (sell) price on the specific instrument you trade. This cost is realised every time you open and close a trade.
	Commission	Applicable only to CFDs on: Indices, Energies and Cryptocurrencies	This is the commission you pay when you buy and sell an instrument.
	Currency conversion	The Company does not apply additional fees. The amounts are converted automatically at prevailing market prices.	This is the cost for converting realised profits and losses as well as any costs and charges that are denominated in a currency other than the base currency of your trading account.
Ongoing costs	Swap (Financing Fee)	Applicable to all instruments	This is the swap cost for keeping your position open overnight. The swap cost can be positive or negative depending on the instrument to be traded.

More specific details on the costs and charges can be found on the Company's website under Cost and Charges Policy which is located on [Legal Documents Section](#) as well as in the Client Services Agreement.

### Other relevant information:

Other relevant information and documentation, such as Client's Services agreement, Complaint Handling policy and Conflict of Interest policy can be found on the Company's [website](#) section concerning legal documentation. It is important for you to read and understand these documents before opening an account and start trading with the Company.