



CFDs on Cryptocurrency

2021

FINVEO

Purpose

This document provides you with key information about this financial 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. Please note that all figures are for illustrative purposes only.

Product Name: Contract for differences on Cryptocurrencies
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Warning: Contract for difference (CFD) is a complex financial product and may be difficult to understand. This product may not be suitable for all investors. Please ensure that you fully understand the risks involved. You are about to confirm a purchase of service for a product that is not simple and may be difficult to understand.

What is this product?

Type: CFD is derivative product which uses a financial leverage mechanism. This product is CFD based on Cryptocurrency, which price derived from specific cryptocurrency exchanges and is traded on cryptocurrency exchanges. A cryptocurrency/fiat currency pair (e.g. BTC/USD) involves the simultaneous buying and selling of a cryptocurrency and fiat currency. CFD on Cryptocurrency enables you to have exposure to price movements on the underlying currency pair: the base currency (BTC), which is the first currency referenced in a currency pair, and the quote currency (USD), second currency referenced in a currency pair. An investor has the choice to buy (or "go long") the underlying cryptocurrency/fiat currency pair if they think the price of the base cryptocurrency will rise in relation to the quote fiat currency; or to sell (or "go short") the underlying cryptocurrency if they think the price of the quote fiat currency will rise in relation to the base cryptocurrency.

CFDs are leveraged products which allow investors to open larger positions with small amount of money. Leverage is customized and set by the investor. 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. In case that remaining account equity falls below the maintenance margin requirement as a result of negative price movement, you need to deposit additional funds. Otherwise CFD will be auto closed. However, you cannot lose more than your investment as this product is protected from negative equity.



The CFDs on cryptocurrency pair doesn't have recommended holding period 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.

Finveo is not entitled to terminate this product unilaterally. The product is terminated automatically if an unexpected decrease in liquidity or delisting by official exchanges occur. Finveo retains the ability to unilaterally terminate any CFD contract where it deems that terms of the contract have been breached.

Objectives

The goal of trading this product is to gain exposure to movements in relation to a financial product, benchmark or instrument without owning it. A cryptocurrency CFD is a leveraged product that requires you to deposit a smaller amount of cash as margin than the notional value of the position. The goal of trading this product is to gain exposure to movements in relation to an underlying cryptocurrency pair, without owning it. One of the key features of trading CFD relates to the initial margin: it requires a relatively 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 on BTC/USD (1 BTC) with an initial margin amount of 50% and an underlying price of USD 30 000, the notional value will be USD 15 000 ($50\% \times 30\,000 \times 1$).

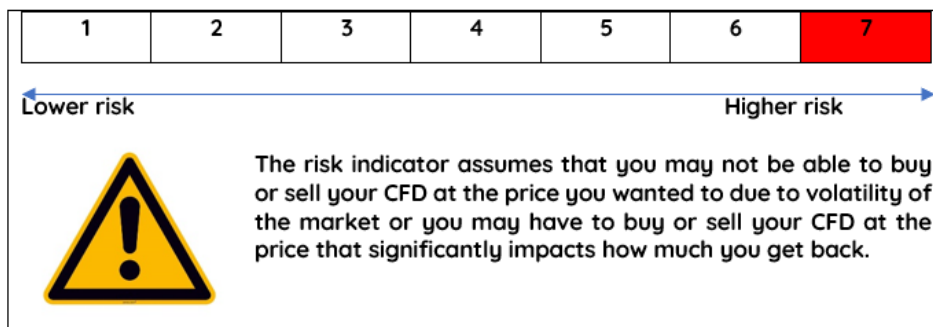
Intended retail Investor

CFDs are not appropriate for every investor. CFDs are intended for those investors who have knowledge of, or experience with leveraged products. Those investors can understand how the prices of CFDs are derived, the key concepts of margin and leverage, and the risk of losing all but not more than the balance of the Trading Account. They can understand the risk/reward profile of the product in comparison with traditional share dealing, desire short-term, high-risk exposure to an underlying asset. Investors should also have appropriate financial means, hold other investment types, and can bear losses up to but not more than the balance of their Trading Account.



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

The risk indicator is a guide about risk assessment 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 and poor market conditions are very likely to impact our capacity to pay you.

Since CFDs are leveraged product, underlying market movements can generate losses rapidly. There is no capital protection against market risk, credit risk or liquidity risk.

Be aware of currency risk. In case you prefer to receive payments in a 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 shown above.

Leveraged trading magnifies the losses of price movements and failure to deposit additional funds may result in the CFD being auto closed. You are also subject to risks related to internet failures, communications failures and delays or account password theft.

In addition to that, the Negative Balance Protection is afforded to investors of Finveo given exceptional circumstances or large market events which trigger a sufficiently large and sudden price change in the underlying assets. The Negative Balance Protection prevents CFD provider i.e., Finveo from closing out the position (as imposed by the margin close-out protection measure) such that the investor has a negative account value. For further risks and details all prospective investors may refer to the document "Risk Disclosure Statement" under the page "Legal documents" on the official website www.finveo.com.



Performance scenarios

The scenarios shown 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 value of this investment varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you hold the CFD.

The scenarios show what you might get back in the indicated market circumstances, and it does not consider the situation where we are not able to pay you. The figures do not consider your personal tax situation and the applicable tax legislation, which may also affect how much you get back (actual pay-out). The final return you may get may also depend on the exchange rates, if the CFD you have transacted in is based in a currency that is different from your base currency - currency risk is not considered in below example.

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

Table 1:

Cryptocurrency pair CFD (held intraday)							
Cryptocurrency opening price:		P	\$30 000				
Trade size (per CFD):		TS	1 lot (1 BTC)				
Margin %:		M	50%				
Margin requirement:		$MR=P*TS*M$	\$15,000.00				
Notional value of the trade:		$TN=MR/M$	\$30,000.00				
LONG Performance scenario	Closing price	Price change	Profit/Loss	SHORT Performance scenario	Closing price	Price change	Profit/Loss
Favourable	45,000	50%	\$ 15,000	Favourable	15,000	-50%	\$ 15,000
Moderate	33,000	10%	\$ 3,000	Moderate	27,000	-10%	\$ 3,000
Unfavourable	27,000	-10%	-\$ 3,000	Unfavourable	33,000	10%	-\$ 3,000
Stress	15,000	-50%	-\$ 15,000	Stress	45,000	50%	-\$ 15,000

What happens if Finveo is unable to pay out?

Because of segregated accounts of Finveo's and investor's funds, which is prescribed by Montenegro legislation, there is no such risk.

Finveo bears counterparty risk of other cooperating entities such as: banks, entities providing liquidity, other investment companies in which hedging transactions are concluded. Declaration of bankruptcy of the above-mentioned entities may have an impact about Finveo and hence - also on a risk that bears the investor. This risk is mitigated also by segregation of Investors' money i.e. money transferred by an Investor to Finveo are held separately and distinctly from any money belonging to Finveo and shall be kept segregated.



What are the costs?

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

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

One-off costs	Spread	The difference between the buy and sell price is called spread.
	Currency conversion	The fee charged for converting realized profit/loss from the instrument currency to account currency.
Ongoing costs	Swap	The swap may be charged for every day you keep the position open. Depending on the position held (e.g. long or short) and our prevailing interest rates, your account may be credited or debited with swap.

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

CFDs are short term trading instruments, in some cases intraday and are generally not associated or considered suitable for longer term. There is no recommended holding period, no cancellation period and therefore no cancellation fees. A CFD on a cryptocurrency can be opened and closed at any time during market trading hours.

How can I complain?

If you have any complaints about the instrument or conduct of the manufacturer or the person you have spoken to, you may lodge your complaint in one of two ways:

1. You may raise Complaints, Disputes and Comments via e-mail, to the e-mail address: complaints@finveo.mn.
2. You may send your complaint in writing to Finveo address: Cetinjska 11, 81000 Podgorica, Montenegro.
3. Please refer to our website complaints policy link.

Other relevant information

Important documents required to be made available by Law and other relevant information in relation to the product are available online on our website.

The Terms and Policies section of Finveo website contains important information regarding the account. The investor should ensure to be familiar with all the applicable terms and policies.



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

Order Execution Policy - it summarizes the process by which we execute your orders.

Risk Disclosure Notice - it summarizes the main risks when investing in CFDs.

Conflict of Interest Policy - it outlines the manner in which we identify, manage or control any conflicts of interests that may arise during the course of our business activities.

Data Privacy Statement - it explains how we deal with certain information you provide us with.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

