



CFDs on Indices

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 Indices
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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 Indices, which price derived from the price of the underlying Index price, that may be either the current cash price or the future's price. An investor has the choice to buy (or "go long") the underlying CFD if they think to benefit from rising index prices; or to sell (or "go short") the underlying CFD if they think to benefit from falling index prices.

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 because of negative price movement, you need to deposit additional funds. Otherwise CFD will be auto closed.

The CFD on spot Index does not have a pre-defined maturity date and is therefore open-ended. By contrast, a CFD on a Index future has a pre-defined expiry date. CFD on Index future at expiry cannot be rolled over and your position is still open at expiry it will be auto closed at the last available market price.



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 the value of the underlying Index 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 Index CFD (1 lot equals 1 Index unit) with an initial margin amount of 10% and an underlying index price of USD 5000, the initial investment will be USD 500 ($10\% \times 5\,000 \times 1$). The effect of leverage in this case 10:1 (1/0.1) has resulted in a notional value of the contract of USD 5 000.

As a result, for each 1-point change in the price of the underlying index, the profit or loss will be by USD 1.00. Through example, supposing:

- a) the investor holds a long position, and the market increases in value, a USD 1.00 profit will be made for every 1-point increase in that market. On the other hand, if the market decreases in value, a USD 1.00 loss will be incurred for each point the market decreases in value.
- b) The investor holds a short position, a profit is made in line with any decreases in that market, and a loss for any increases in the market.

CFDs in general do not have a 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 strategy and objectives.

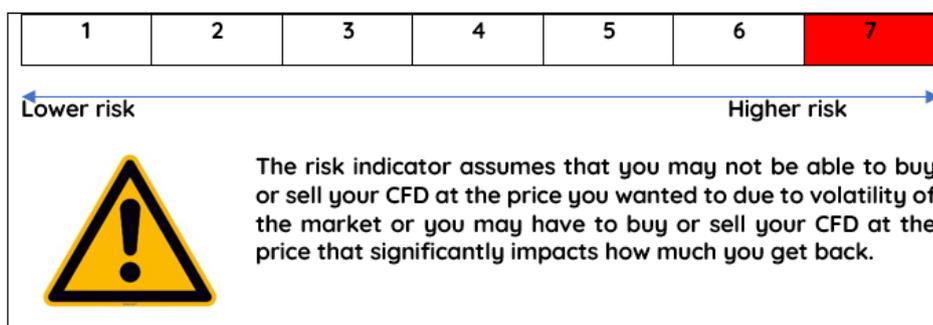
Intended retail Investor

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:

Index CFD (held intraday)		
Index opening price:	P	\$5 000
Trade size (per CFD):	TS	1
Margin %:	M	10%
Margin requirement:	$MR=P*TS*M$	\$500
Notional value of the trade:	$TN=MR/M$	\$5 000

LONG Performance scenario	Closing price	Price change	Profit/Loss	SHORT Performance scenario	Closing price	Price change	Profit/Loss
Favourable	5075	1.50%	\$ 75	Favourable	4925	-1.50%	\$ 75
Moderate	5025	0.50%	\$ 25	Moderate	4975	-0.50%	\$ 25
Unfavourable	4925	-1.50%	-\$ 75	Unfavourable	5075	1.50%	-\$ 75
Stress	4750	-5.00%	-\$ 250	Stress	5250	5.00%	-\$ 250

What happens if Finveo is unable to pay out?

If Finveo is unable to meet its financial obligations to you, you may lose the value of your investment. However, we segregate all investor's funds from our own money in accordance with our regulatory requirements.

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 indices 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 an index 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.

