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Tradestone Ltd
CySEC License 331/17

Address: 89, Vasileos Georgiou A' street, Office 101
Potamos Germasogeias 4048, Limassol, Cyprus
www.fbs.eu

Key Information Document – CFD on an Index

Purpose

The 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

CFDs on Indices are offered by Tradestone Limited (hereinafter the “Company”, “We” or “Us”), registered in the Republic of Cyprus. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission in the Republic of Cyprus, with license number 331/17. For further information please call +357 25 313540 or visit <https://www.fbs.eu/en>. This document was last updated on the 01st February 2024.



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

What is this product?

Type

This investment product is a Contract for Differences (hereinafter the “CFD”) on an Index. A CFD is an Over the Counter (hereinafter the “OTC”) leveraged financial instrument and its value is determined based on the value of the underlying asset. The investor makes a profit or a loss on the CFD based on the direction chosen (Buy or Sell) and the direction of the value of the underlying asset. The CFD is settled in cash only and the investor has no rights whatsoever on the actual underlying asset. This document provides key information on CFDs where the underlying investment that you choose is an index such as US500 or DE30. The CFD on spot Index does not have a pre-defined maturity date and is therefore open-ended; by contrast, a CFD on an Index future has a pre-defined expiry date. CFD on an Index future at expiry cannot be rolled over and if your position is still open at expiry, it will be automatically closed at the last available market price. Tradestone Ltd retains the ability to unilaterally terminate any CFD contract where it deems that the terms of the contract have been breached.

Objectives

Indices are generally used for holding long-term investment portfolios. Given the wide scope of the indices available, investors opt to generate capital appreciation at times within diversified portfolios, while generating income or simple preserving capital from inflation at other times. When using CFDs on Indices, investors are exposed indirectly to the underlying index and can benefit from price fluctuations to achieve their investment goals without the actual transfer of ownership, but they forgo any dividends paid out on the stock constituents of the traded Indices since they do not possess the underlying index/stocks, instead a CFD that traces the relevant price. The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying Index (whether up or down). The exposure is leveraged since the CFD only requires a 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 Dax Spot Index CFD (1 lot equals 1 Index unit) with an initial margin amount of 5% and an underlying Index price of 15,630 EUR, the initial margin will be 781 EUR (5% x 1 x 15,630). The effect of leverage, in this case 20:1 has resulted in a notional value of the contract of 15,630 EUR (781 x 20). This means that for each 1 EUR change in the price of the underlying Index the value of the CFD changes by 1 EUR.

Intended Investor

CFDs are intended for investors who have knowledge of, or are experienced with, leveraged products and that understand how the prices of CFDs are derived, the key concepts of margin and leverage, the fact that losses may



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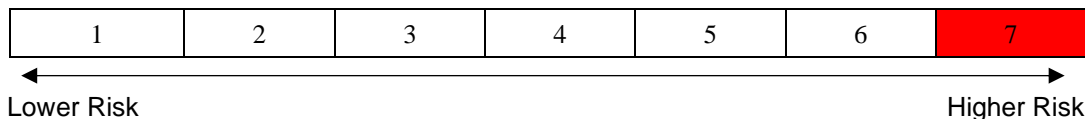
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exceed deposits and have the appropriate financial means to bear losses of the entire amount invested over an unknown (in case of CFD on cash index) or pre-defined (in case of CFD on future index) investment horizon.

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

Risk Indicator



- Summary Risk Indicator: 7.
- The risk indicator assumes that a CFDs index position is held until maturity (in case of an index future contract as the underlying) or for a reasonable amount of time (in case the underlying was a cash index). The actual risk can vary significantly if you cash in at an early stage and you may get back less. CFDs on Indices have high risk.
- 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 unable to pay you.
- We have classified this product as 7 out of 7, which is the highest risk class. This rates potential losses from future performance at a very high level. This can result in large gains or losses.
- The total loss you may incur may exceed the amount posted as collateral since CFDs are leveraged products. In the event of high market volatility or low liquidity, your position can be severely affected, and your positions may be closed out due to margin calls.
- This product does not include any protection from future market performance so you could lose some or all your investment. However, you may benefit from a consumer protection scheme. The indicator shown above does not consider this protection.
- Be aware of currency risk. You may receive payments in a different currency depending on the product, so the final return you get may depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.
- CFDs do not receive any dividends since the client does not actually hold the underlying index's constituents.

Performance Scenarios

There are several types of trading risk, including leverage risk, which you should be aware of before beginning to trade. Information on factors that affect the performance of this product are detailed below including but not limited to:

- | | |
|--------------------------|---------------------------------------|
| ✚ Leverage Risk | ✚ Unregulated Market Risk |
| ✚ Risk of unlimited loss | ✚ Market disruption risk |
| ✚ Margin risk | ✚ Foreign exchange risk |
| ✚ Conflicts of Interest | ✚ Online trading platform and IT risk |
| ✚ Market Risk | ✚ Counterparty risk |

Future market developments cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns can be lower.

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 will get vary depending on how the market performs and how long you hold the CFD. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

For more specific trading examples in this specific product can be found [here](#).



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CFDs on Index		DAX30	
Opening Price	P	1300	
Trade size (per CFD)	TS	1 LOT(equivalent to 10 units)	
Margin %	M	5%	
Margin Required	MR=P x TS x M	6500EUR	
Notional value of the trade	TN=TS x P	130000USD	

LONG Performance Scenario	Closing Price	Price Change	Profit/Loss	SHORT Performance Scenario	Closing Price	Price Change	Profit/Loss
Favourable	13520	4%	5200EUR	Favourable	12480	-4%	5200EUR
Moderate	13260	2%	2600EUR	Moderate	12740	-2%	2600EUR
Unfavourable	12480	-4%	-5200EUR	Unfavourable	13520	4%	-5200EUR
Stress	12090	-7%	-9100EUR	Stress	13910	7%	-9100EUR

Please be aware that if you are classified as Retail Client, the loss will be restricted to your account balance as we offer negative balance protection. The figures shown in the performance scenarios do not consider your personal tax situation, therefore the tax legislation of your home member state may have an impact on the actual pay-out.

What happens if Tradestone Ltd is unable to pay out?

If the Company becomes insolvent and is unable to pay out to its investors, Retail Clients may be eligible to compensation of up to €20,000 by the Investor Compensation Fund ("ICF") set up by the Cyprus Securities and Exchange Commission. For more information, please review our [Investor Compensation Fund Policy](#)

What are the costs?

The Company charges only a spread when an investor trades CFDs on a spot index. The spread per each underlying asset is detailed on the Company's website by clicking [here](#). The below table portrays an illustration of types of costs along with their meaning:

One-off costs	<i>Spread</i>	This is the difference between the Bid and Ask price
	<i>Commission</i>	CFDs on Spot indices do not bear any commission charges at FBS.
	<i>Currency conversion</i>	The cost of converting the Profit or Loss resulting from the trades from the quote currency to the currency of your Trading Account
Recurring costs	<i>Swap fees</i>	This is the financing cost in case the client decides to roll back the position to an earlier date or roll over the position to a later date than the value date. Depending on whether the position is long or short and the prevailing interest rates of the relevant currency, your account may be credited or debited with the Swap fee. Please refer to our website by clicking here .

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

CFDs on an index do not have a recommended holding period and it is at the investors' discretion to decide the appropriate holding period according to their individual trading strategy and objectives. In general, CFDs are intended for short term trading, in some cases intraday and are not suitable for long-term investments. Opening and closing transactions in CFDs on indices can occur during the weekdays during the relevant stock markets opening hours.

How can I Complain?

Clients who wish to file a complaint can do so by submitting the complaint form to the below email address: complaints@fbs.eu. The complete complaints handling procedure and the complaint form can be found on the Company's website

Other Relevant information

We draw your attention to the following documents that are required to be made available by Law, which are available on our website: <https://fbs.eu>

Legal Documents: Client Agreement // Order Execution Policy // Risk Disclosure Notice // Conflict of Interest Policy // Privacy Policy