



## KEY INFORMATION DOCUMENT

### Transferable Security

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#### *Purpose*

This document provides you (hereinafter the “**Client**”) 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*

Based on the changes introduced by the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and the European Regulation (EU) No 1286\_2014 on PRIIPs each Investment Firm acting as a manufacturer or distributor is obliged to offer a Key Information Document (“KID”) to retail clients in order to allow them to take an informed decision regarding the financial product offered to them.

At first instance, it is the responsibility of the manufacturer of the financial product to establish and deliver the KID to the Distributor. If for any reason, the manufacturer of the financial product fails to deliver the necessary information and Key Information Document “KID”, the distributor bears the responsibility, to the best of their ability, to inform any retail clients of the characteristics relating to each investment product.

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 go to <https://fbs.eu/en>.



#### **Alert**

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

### What is this product?

#### *Type*

Transferable securities are those classes of investments which are negotiable on the capital market such as shares in companies and other investments equivalent to shares in companies, partnerships or other entities or capital return and interest investments known as bonds.

Transferable securities include:

- shares in companies (whether listed or unlisted, admitted to trading or otherwise), comparable interests in partnerships and other entities and equivalent securities;
- bonds and other forms of securitised debt;
- depositary receipts in respect of the instruments above;



- securities giving the right to acquire or sell transferable securities (for example, warrants, options, futures and convertible bonds); and
- securitised cash-settled derivatives, including certain futures, options, swaps and other contracts for differences relating to transferable securities, currencies, interest rates or yields, commodities or other indices or measures.

## *Objectives*

Transferable securities are generally used for holding long-term investment portfolios. Given the wide scope of the securities available, investors opt to generate capital appreciation at times, while generating income or simply preserving capital from inflation at other times. With the current ease of transfer of ownership electronically, holders of securities can quickly and efficiently transfer titles of their securities (such as bonds, shares, depositary receipts) almost instantly thus can avoid any counterparty credit risk.

## *Intended Retail Investor*

Transferable securities are typically intended for sophisticated investors with extensive knowledge and/or experience in derivatives products. Investors may have varying investment strategies and needs, including but not limited to speculation, capital appreciation or hedging inflation, and should adopt their investment horizons accordingly.

Transferable securities are appropriate for Retail clients when the following criteria is satisfied:

- Individuals with large amounts of initial capital
- A basic degree of knowledge and experience is necessary
- Ability and willingness to bear a loss
- Suitable for conservative clients and balanced traders with some investment experience
- Retail clients who:
  - ✓ are looking for capital protection or small repayment of the amount invested
  - ✓ are fully risk averse/have no or low risk tolerance
  - ✓ need a guaranteed income or fully predictable return profile.

As a product distributor we will distribute these products in accordance with the communicated target market and distribution strategy.

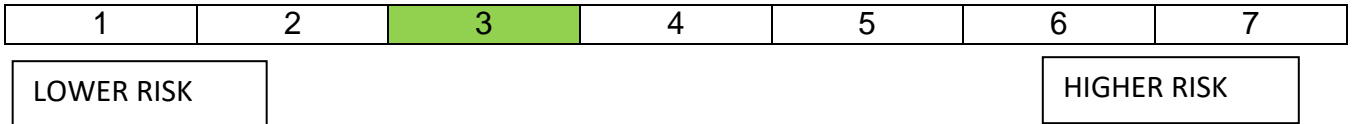
Client profiles that will not be accepted:

- Applicant is under 18 years of age
- Applicant is flagged by internal checks (example: AML concerns)
- Applicant is currently going through bankruptcy
- Applicant who indicated that they are unemployed/student and receiving government support

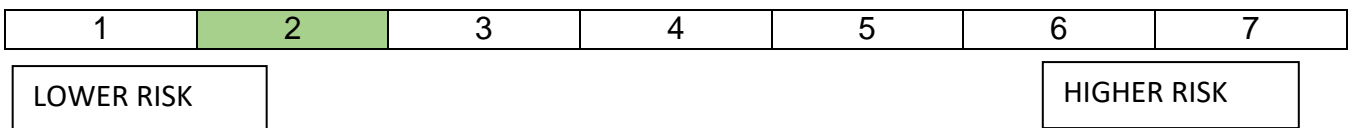


## Risk Indicator

### Shares



### Bonds



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 the broker is not able to pay you. We have classified these equities as 3 and bonds as 2 out of 7, 7 being the highest risk class. This rates the potential losses from future performance at a moderate to low level. Investors should be aware of currency risk. You may receive payments in a different currency, so the final return you will get depends on the exchange rate between two currencies.

This risk is not considered in the indicator shown above. In some circumstances you may be required to make further payments to pay for losses. Trading risks are magnified by leverage – the total loss you may incur may significantly exceed the amount invested.

## Performance Scenarios

There are a number of 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
- ✚ Risk of unlimited loss
- ✚ Margin risk
- ✚ Conflicts of Interest
- ✚ Market Risk
- ✚ Unregulated Market Risk
- ✚ Market disruption risk
- ✚ Foreign exchange risk
- ✚ Online trading platform and IT risk
- ✚ Counterparty risk

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

## What happens if the Company is unable to pay out?

In the event that 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 set up by the Cyprus Securities and Exchange Commission.

For more information please review our [Investor Compensation Fund Policy](https://cdn.fbs.eu/docs/en/investor_compensation_fund_policy_en.pdf)



## What are the costs?

The Company charges a spread and a commission when an investor trades Transferable Securities. A spread is the difference between the Sell (“Bid”) and Buy (“Ask”) price of the underlying. The spread per each underlying asset is outlined on the Company’s website by clicking [here](#). But each investor may have different spreads on all or some of the underlying asset based on the investor’s history, volume, activities or certain promotions. The below table portrays an illustration of types of costs along with their meaning:

<b>What are the costs?</b>		
The table below shows the different types of cost categories		
<b>One-off costs</b>	<i>Spread</i>	This is the difference between the buy and sell price
	<i>Commission</i>	This is charged as a separate cost on each transaction
	<i>Custody fees</i>	This is charged if the holder of the transferable security wishes that Tradestone acts as fiduciary and holds the security as a nominee owner.
<b>Recurring costs/gains</b>	<i>Interest income ; dividends</i>	Interest is received as coupons on bond held in the portfolio or dividends can be paid out to shareholders of the shares in a stock that goes ex-dividend.
<b>How long should I hold it and can I take money out early?</b>		
Swaps do not have a recommended holding period and it is to the investors’ discretion to decide the appropriate holding period according to their individual trading strategy and objectives.		
<b>How can I complain?</b>		
Clients who wish to file a complaint can do so by submitting the complaint form to the below email address: <a href="mailto:complaints@fbs.eu">complaints@fbs.eu</a>		
The complete complains procedure and the complaint form can be found on the Company’s website.		