Key Information Document (KID)

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.

Product

Name of Product: Contracts for Difference (CFDs) on an Exchange Traded Fund (ETF)

Name of PRIIP manufacturer: INVEXIA Ltd

This document was created/last updated on 17 August 2022

Alert

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

What is this product?

Type

Trading CFDs on ETFs enables investors to have exposure to fluctuations related to the price performance of the underlying ETFs without physically owning it. By trading on CFDs on ETFs, you do not physically own the ETFs, neither take delivery of the ETFs at any point during the duration of the trade. You can buy a CFD on a ETFs (i.e. "go long") if you believe that the value of the underlying ETFs is going to increase, with the intention to later sell it at a higher value. You can sell a CFD (i.e. "go short") if you believe that the value of the ETFs is going to decrease, expecting to later buy it back at a lower price. In both circumstances, if the ETFs price moves in the opposite direction and your position is closed, your account would be debited for the loss of the trade (plus any relevant costs), subject to our Negative Balance Protection. CFDs on ETFs are not listed instruments and are traded as "Over-The-Counter" contracts between the client and the Company. Investors are required to pay an initial deposit, or margin, upfront when the position is opened. Trading on margin can enhance any losses or gains you make. This initial margin requirement will be returned when the position is closed. The maximum leverage offered for CFDs on ETFs is 1:5.

Underlying Instrument

CFDs on ETF, have different underlying instruments (shares, commodities and indices etc.) of individual sectors.

So how do CFDs work?

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 ETF CFD (1 lot equals 1 ETF unit) with an initial margin amount of 20% and an underlying ETF price of 1,500 EUR, the initial investment will be €300 (20% x 1 x 1500). The effect of leverage, in this case 5:1 (1 / 20%) has resulted in a notional value of the contract of €1,500 (300 x 5).

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Objectives

The objective of the CFD on ETFs is to allow an investor to gain exposure to the movement in the value of the underlying ETF (whether up or down), without needing to actually buy or sell the underlying ETF. 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 and is one of the key features of trading CFDs. You will achieve profit if your speculation on the performance (positive or negative performance) was correct, with the difference between the opening price and closing price of the underlying ETF as the performance or suffer a loss in your trading balance. This product is commonly traded on margin. Margin refers to the use of an amount of capital to support a trading with a larger exposure. Please note that margin trading requires extra caution, because whilst you can realise large profits if the price moves in your favour, you risk extensive losses if the price moves against you.

Intended retail investor

Trading in this product is highly speculative and involves a significant risk of loss. This product is for clients with a relatively short-term investment horizon, and is NOT suitable for ALL investors but only for those who i) understand and are willing to bear the risks involved, including the risks associated with margin trading; ii) possess the necessary experience and knowledge about trading in derivatives and the underlying instruments; have for objective hedging their business foreigner exchange risk, and speculation over short term, and iii) are financially able to bear the risk of a total loss of their invested amounts, subject to the negative balance protection mechanism offered by the Company.

Term

CFD ETF positions generally have no fixed or suggested maturity date. It's up to each individual trader to decide the appropriate time to open and close his positions and understand the mechanics and risks of leveraged trading including the use of margin deposits. Specific information on each underlying investment can be found www.invexia.com.

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

Risk Indicator

Signification of the indicator

This indicator measures the level of risk at which your investment may be exposed.

The risk category is not guaranteed and may shift over time. The lowest category does not mean «risk-free». The CFDs on ETF display a grade of 7 on a scale ranging from 1 to 7 (1 being the less risky category). They therefore exhibit (because also of leverage) the highest risk characteristics.

This product does not include any protection from future market performance so you could lose all of your investment. The Client could place Stop Loss to limit potential losses, and Take Profit to collect profits.

If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from the Investor Compensation Fund (see the section 'what happens if we are unable to pay you'). This indicator shown above does not consider this protection.

General CFD risks

- CFDs are complex financial instruments and are traded Over the Counter ("OTC"). You can only exit a position by trading with us, during the trading hours of the underlying instrument as stated on our Website. You cannot transfer your open positions/trades to any other firm. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk.
- You do not owe the underlying asset. Through your trade with us, you receive by us exposure to the performance of the underlying asset, but you do not receive any ownership or other rights to such underlying asset.
- CFDs are leveraged products. You only need a small margin for getting exposure to the underlying asset. Leverage can magnify both your profits as well as your losses.
- Statistically, because of leverage, a significant part of clients lose because leverage amplifies losses, leading to margin calls and closures of clients' open positions. We operate a Negative Balance Protection i.e. you cannot lose more than the Equity of your trading account, however you risk losing the capital invested with us.
- CFD trading is undertaken on electronic platforms. There may be times that system or other breakdowns arise. This may affect your ability to trade, or our ability to offer continuous prices or create a need for subsequent adjustment of prices to reflect underlying exchange prices.
- CFDs on certain instruments can be highly volatile. The prices of CFDs and the underlying instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by us. Under certain market conditions it may be impossible for a Client's order to be executed at the declared price leading to losses.
- Prices of CFDs as well as their commercial terms like the spreads maybe varied to reflect periods of actual or expected heightened market volatility.
- Depending on the currency your trading account is denominated and the currency of the underlying instrument you trade, your final return maybe exposed to the exchange rate risk between the two currencies.

- The tax legislation of your home Member State may have an impact on your return.
- The above list of risks is non-exhaustive.

Be aware of currency risk. It is possible to buy or sell CFDs on an ETF in a currency which is different to the base currency of your account. The final return you may get depends 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.

This product does not include any protection from future market performance, so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section "what happens if we are unable to pay you"). The indicator shown above does not consider this protection.

Performance Scenarios

The performance scenarios represent general situations of changes in the prices of CFDs in ETF and their impact on the return of the Client's investment in monetary and percentage terms. These scenarios are general and applicable to the range of CFDs on ETF offered by the Company.

As an example – if you enter into a Buy trade for a CFD on ETF when the underlying price of ETF price of 1,500 EUR, we will ask you to place a margin with us to enable you to trade. If the margin is say 1:5, this means that as a minimum you will need to place €300 (20% x 1 x 1500), with us. Costs of execution are not included in this section but are presented in detailed in the Section 'Fees and charges". Costs of execution must be taken into consideration when planning your trading activity.

Scenario	Open Price	Close Price	Percentage change in Cryptocurrency	Profit/Loss (EUR)
Favourable	1500,00	1005,00	1,5%	23,00 EUR
Moderate	1500,00	1125,00	0,5%	8,00 EUR
Unfavourable	1500,00	1350,00	-10%	-150,00 EUR
Stress 1	1500,00	1125,00	-25%	-375,00 EUR
Stress 2	1500,00	1005,00	-33%	-495,00 EUR

In the first Stress scenario the client would reach stop out level and the positions would be liquidated.
In the second Stress scenario the client would benefit from negative balance protection.

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. This performance scenario assumes you only have one position open and does not take into account the negative or positive cumulative balance you may have if you have multiple open positions with us

What happens if INVEXIA Ltd is unable to pay out?

If INVEXIA Ltd is unable to meet its financial obligations to you, this could cause you to lose the value of your investment. INVEXIA Ltd segregates your funds from its own money in accordance with the regulatory requirements. Should segregation fail, your investment is covered by the Investor Compensation Fund ("ICF") for the Clients of Cyprus Investment Firms ("CIFs"), which covers eligible investments up to €20,000 per person, per firm. See https://www.cysec.gov.cy/el-GR/complaints/tae/

What are the costs?

This table shows the different types of costs involved when you trade CFD products. For more information, please visit our website www.invexia.com

One-off cost at the time of your trade	Entry Cost	0.015%	Brokerage Commissions. This is the most you will pay, and you could pay less.
	Exit Cost	0.015%	Brokerage Commissions. This is the most you will pay, and you could pay less.
	Swaps		Swap is the fee for keeping the position opened over the night. The swap can be positive or negative depending on the instrument. Swap for the opened positions is calculated at 23:59:59 – 00:00:00 (EET), Monday to Friday. If you leave a position open overnight, it will be rolled over (at a swap charge) to the next trading day. In this way it will maintain open future status. Swap rates can be found on our website. **Please see our swap calculation formula below:** Swap value = Number of lots x contract size x Swap rate x Number of nights Example: Swap value = Number of lots x contract size x Swap rate x Number of nights Example: 4 (number of lots) x 1 x -0.09861 (Cryptocurrency) x 4 (number of nights*) = -$15.777 *position opened on Friday and closed on Monday (triple swap is charged from Friday to Monday night as it includes the charge for the weekend).
	Portfolio Transaction costs	0%	Not Applicable
	Other on-going costs	3.45%	Financing costs. Paid on the notional amount based on overnight deposit benchmark plus a maximum spread of 2.5% pa.
	Performance fees	0%	Not Applicable
	Carried interest	0%	Not Applicable

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

CFDs are intended for short-term trading, in some cases intraday, and are generally not suitable for long-term investments. There is no recommended holding period and no cancellation period.

How can I complain?

If you wish to make a complaint, you can submit it by email to compliant@invexia.com. For more details please see our Complaints Handling Procedure www.invexia.com. If you are not satisfied with our final response to your complaint, you may refer your complaint to the Financial Ombudsman Service.

Other relevant information

You should ensure that you read the terms and conditions, order execution policy and risk warning notice displayed available on our website www.invexia.com. Such information is also available on request.