

Key Information Document ("KID")

Purpose

This document provides you with key information about this investment product. It is not a 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

Leverate Financial Services Ltd (the "Company"), a Cypriot Investment Firm regulated by the Cyprus Securities and Exchange Commission ("CySEC") with licence number 160/11, is the Manufacturer of Financial Contracts for Difference ("CFDs") with underlying assets currency pairs ("Forex"). For further information, please visit the Company's website. This Key Information Document ("KID") was reviewed and revised on 1st of January 2020.

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

What is this product?

CFDs on Forex are derivative financial instruments commonly traded on margin. CFDs on Forex are traded Over the Counter ("OTC"), i.e. the trading is concluded outside a regulated exchange or venue and between the client and the Company where the Company agrees to settle in cash the performance of the asset the client decides to speculate on.

Objectives

The objective of CFDs on Forex is to allow a client to speculate on the price movement (positive or negative performance) of underlying currency pairs without actually investing in or owning these currencies, by buying and selling contracts, i.e. speculate on the rise or fall of currency pairs. The client's profit or loss from his speculation on CFDs on Forex depends on the outcome of his speculation and is calculated based on the difference between the opening price and closing price of the underlying asset multiplied by the contract size, trade size and if applicable the conversion rate to the client's account currency.

This product is commonly traded on margin which means that a client uses a smaller amount of capital to support an investment of a larger exposure. Please note that margin trading requires extra caution, because whilst a client can realize large profits if the price moves in his/her favour, the client risks extensive losses if the price moves against his/her direction. The Company applies a margin close out rule per account by which a retail client's trading balance cannot go beyond 50% of client's initial margin requirement for placing the particular CFD on Forex trade.

Intended retail client

CFDs on Forex are intended for retail clients with knowledge and/or experience with leveraged financial products, understanding the characteristics, impact and risk of the underlying concepts of margin and leverage and the factors which affect the prices of the underlying assets. Client's should be high risk tolerant and willing

and able to bear the possibility of losing their entire trading account capital while trading on CFDs on Forex. Further, this product is compatible with the needs of clients seeking short-term capital gain and/or with a short-term investment horizon by investing in highly liquid markets which can provide the benefit of quick pay-out.

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

Summary Risk Indicator



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 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 at a very high level. Trading risks are magnified by leverage. However, your trading balance cannot go beyond 50% of your initial margin requirement for a particular trade on CFD on Forex. Values may fluctuate significantly in times of high volatility or market/economic uncertainty; such swings are even more significant if your positions are leveraged and may also adversely affect your position. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you.

Be aware of currency risk. The realized return of a CFD contract denominated in a currency other than your account currency is affected by both the performance of the underlying asset and the exchange rate between both currencies. This risk is not considered in the indicator shown above.

Performance Scenarios

The scenarios below illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios give a range of possible outcomes and are not an exact indication of what you might get back. The profit or loss of your investment will 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. Your trading balance cannot go beyond 50% of your total investment amount.

The following assumptions have been used for the scenarios depicted in the corresponding Performance Scenario table below:

CFD on EUR/USD (held intraday)		
EUR/USD opening price:	P	1.1977
Trade size (per CFD):	TS	1 lot (100,000)
Margin %:	M	3.33%
Margin requirement (EUR):	$MR=P \times TS \times M$	3,333
Notional value of the trade:	$TN = MR/M$	100,000

Performance Scenario Table							
Long performance Scenario	Closing price	Price Change	Profit/Loss (in EUR)	Short performance scenario	Closing price	Price Change	Profit/Loss (in EUR)
Favourable	1.2156	1.5%	1,473	Favourable	1.1797	1.5%	1,526
Moderate	1.2037	0.5%	498	Moderate	1.1917	0.5%	503
Unfavourable	1.1797	-1.5%	-1,526	Unfavourable	1.2157	-1.5%	-1,481
Stress	1.1378	-5%	-5,265	Stress	1.2576	-5%	-4,764

What happens if the Company is unable to pay out?

The Company is a member of the Investor Compensation Fund (the “Fund”) which covers non-professional clients and in circumstances when the Company is either unable to return to its covered clients funds owed to them and/or unable to return financial instruments to the covered clients which the Company holds or controls in its accounts on behalf of the clients. The maximum amount of compensation that a covered client can receive by the Fund is €20,000 (Euro Twenty Thousand).

What are the Costs?

Before you begin to trade CFDs on Forex you should familiarise yourself with all one-off, ongoing, and incidental costs for which you will be liable. These charges will reduce any net profit or increase your losses. For further information, please visit the section Trading Conditions found on our website.

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

Recommended holding period: NO RECOMMENDED HOLDING PERIOD

CFDs on Forex have no recommended holding period. Provided that the Company is open for trading you can enter and exit positions at any time. The Company shall proceed with the settlement of all trades upon the execution and/or time of expiration of the specific trade.

How can I complain?

An online complaint form is available at the Company’s website, which shall be filled and submitted by you to the Company’s Complaints department directly from the website.

Other relevant information

For any information not found in this KID or the Company’s website contact us by e-mail at compliance@leverate.com or by post at 88 Ayias Fylaxeos street, Zavos City Center, 4th Floor, 401, 3025 Limassol, Cyprus.