

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 Commodity

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 Commodities 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://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?

Туре

This investment product is a Contract for Differences (hereinafter the "CFD") on commodity instrument. A CFD is an Over the Counter (hereinafter the "OTC") leveraged financial instrument and its value is determined based on the value of an 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 a commodity derivative instrument such as gold.

Objectives

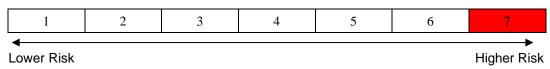
The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying asset (whether up or down), without needing to buy or sell the underlying asset. The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be put down upfront as initial margin and is one of the key features of trading CFDs. In the case of commodity CFD, the prices are based on the bid price of the commodity. Prices of this specific investment product may be obtained either by liquidity providers who obtain such prices from the relevant exchanges or directly from the relevant exchanges. The market for commodities is open throughout the week.

Intended Investor

CFDs are intended for investors who wish to make directional transactions and take advantage of short to long term price movements in the rates of commodities and have the ability to sustain the risk of loss of their entire investment amount within a short period of time. Those investors have knowledge of, or are experienced with, leveraged products, and have a full understanding on how the prices of CFDs are derived as well as the key concepts of margin and leverage.

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

Risk Indicator





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

• Summary Risk Indicator: 7.

FBS

- The risk indicator assumes that a CFD contract is held for 24 hours. The actual risk can vary significantly if you cash in at an early stage and you may get back less. Commodity CFDs 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 margin 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. There is no capital protection against market risk, credit risk or liquidity. 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 may be affected by slippage or the inability to close the product at a desired price due to unavailability
 of such price in the market. CFDs are OTC products and cannot be sold on any exchange, Multi-Lateral
 Trading Facility (hereinafter the "MTF") or other trading venue.

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
- Risk of unlimited loss
- Margin risk
- Conflicts of Interest
- Market Risk

Online trading platform and IT risk
 Counterparty risk

Unregulated Market Risk

Market disruption risk

Foreign exchange 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.

Favourable 2,017.60 4% 7,760.00 Favourable 1,862.40 -4% 7,760	
Margin % M 5.00% Margin Required MR=P x TS x M 9,700.00USD Notional value of the trade TN=TS x P 194,000.00USD LONG Performance Scenario Closing Price Price Change Profit/Loss in \$ SHORT Performance Scenario Closing Price Price Change Profit/Loss in \$ Favourable 2,017.60 4% 7,760.00 Favourable 1,862.40 -4% 7,76	
Margin Required Notional value of the trade MR=P x TS x M TN=TS x P 9,700.00USD 194,000.00USD LONG Performance Scenario Favourable Closing Price 2,017.60 Price Change 4% Profit/Loss in \$ SHORT Performance Scenario Favourable Closing Price 1,862.40 Price Change -4% Profit/Loss in \$ SHORT Performance Scenario 1,862.40 Price Change -4% Price Change	
Notional value of the trade TN=TS x P 194,000.00USD LONG Performance Scenario Favourable Closing Price 2,017.60 Price Change 4% Profit/Loss in \$ SHORT Performance Scenario Favourable Closing Price 1,862.40 Price Change -4% Profit/Loss in \$ SHORT Performance Scenario 1,862.40 Price Change -4% Profit/Loss in \$ SHORT Performance Scenario 1,862.40	
LONG Performance Scenario Closing Price Price Change Profit/Loss in \$ SHORT Performance Scenario Closing Price Price Change Profit/Loss in \$ Favourable 2,017.60 4% 7,760.00 Favourable 1,862.40 -4% 7,76	
Favourable 2,017.60 4% 7,760.00 Favourable 1,862.40 -4% 7,760	
Favourable 2,017.60 4% 7,760.00 Favourable 1,862.40 -4% 7,760	
-,	fit/Loss in \$
Nodesta 1.070.00 20/ 2.000.00 Nodesta 1.001.00 20/ 2.00	60.00
Moderate 1,978.80 2% 3,880.00 Moderate 1,901.20 -2% 3,88	80.00
Unfavourable 1,862.40 -4% -7,760.00 Unfavourable 2,017.60 4% -7,7	
Stress 1,804.20 -7% -13,580.00 Stress 2,075.80 7% -13,	60.00



Tradestone Ltd CySEC License 331/17 Address: 89, Vasileos Georgiou A' street, Office 101 Potamos Germasogeias 4048, Limassol, Cyprus www.fbs.eu

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 <u>Investor Compensation Fund Policy</u>

What are the costs?

The Company charges only a spread when an investor trades CFDs on Commodities metals and energies. The spread per each underlying asset is detailed on the Company's website by clicking <u>here</u>. The below table portrays an illustration of types of costs along with their meaning:

One-off costs	Spread	This is the difference between the Bid and Ask price
	Commission	CFDs on Spot Metals and Spot Energies do not bear any commission charges at FBS.
	Currency conversion	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	Swap fees	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 <u>here</u> .

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

CFDs on commodities transactions 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. You can open and close a CFD on a Commodity at any time during the market trading hours of the CFD. Opening and closing a CFD transaction depends on the prevailing liquidity of the CFD at the venue where it is being traded.

How can I Complain?

Clients who wish to file a complaint can do so by submitting the complaint form to the below email address: <u>complaints@fbs.eu</u>.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: <u>https://fbs.eu</u>

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