

Key Information Document

Purpose: This 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 Name: Share Contracts for Difference (CFD) – Shares

Product Manufacturer: Rynat Trading Limited (“Rynat” or “we” or “us”), registered as a Cyprus Investment Firm (CIF) with the registration number HE344135. XTrend is a trading name of Rynat Trading Limited which is licensed by the Cyprus Securities and Exchange Commission (CySEC) under licence number 303/16. Call +357 25 258020 or go to www.thextrend.com for more information. This document was last updated on 01 July 2024.

Risk Warning: You are about to purchase a product that is complex in terms of valuation and may be difficult to understand.

What is this product?

Type: 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), without owning the physical Index. 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.

Objectives: 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), without owning the physical Index. For example, if an investor buys 1000 CFD units with an initial margin amount of 20% and an underlying equity price of €5, the initial investment will be €1,000 (20% x 1000 x 5). The effect of leverage, in this case 5:1 (1 / 0.2) has resulted in a notional value of the contract of €5,000 (€5 x 1000). This means that for each 1 cent change in the price of the underlying equity the value of the CFD contract changes by €10 (1,000 x €0.01). For instance, if the investor is long and the market increases in value, a €10 profit will be made for every 1 cent increase in that market. However, if the market decreases in value, a €10 loss will be incurred for each cent the market decreases in value. Conversely, if an investor holds a short position, a profit is made in line with any decreases in that market, and a loss for any increases in the market.

Intended Retail 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 exceed deposits and have the appropriate financial means to bear losses of the entire amount invested.

Term

CFDs on Shares positions have no expiry date or minimum holding period. It is up to the investor to decide when to open and close his investments. You should be aware that if the total margin in your account falls below 50% of the amount of initial margin required in respect of the open CFDs, your positions will start liquidating, starting from the position with the highest loss.

What are the risks and what could I get in return by trading in leveraged CFDs?



The risk indicator assumes that you may not be able to buy or sell your CFD at the price you wanted to due to volatility of the market or you may have to buy or sell your CFD at a price that significantly impacts how much you get back.

There is no recommended or minimum holding period for this product. You must maintain sufficient margin in your account to keep your positions open. Trading on margin means you could quickly lose the amount invested.

The risk indicator assumes you keep the product for one calendar month but could equally represent one day. It is based on historical data, and where historical data has not been available on synthetic data. It demonstrates the overall level of risk in comparison to other possible trading opportunities for this market but does not guarantee the level of risk that you may encounter.

Category 1 is not risk free; it is merely a lower and less volatile market to trade based on historical data.

1= lowest / 2= low / 3= medium-low / 4= medium / 5= medium-high / 6= second-highest / 7= highest risk class.

- For this market the risk indicator is set at 7, which poses a very high risk because:
- It is volatile and is subject to wild swings.
- Spread may widen with reduced liquidity. You could lose your entire investment.
- You could lose more than your initial investment.

Be aware of currency risk: If your account currency is different to the profit or loss currency (in this case USD) then you will also have additional **currency risk** in trading this product dependent on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. **The total loss cannot exceed the amount deposited with us as we offer Negative Balance Equity Protection (“NBP”).**

Performance scenarios: The scenarios shown illustrate how your investment could perform. **Market developments in the future cannot be accurately predicted. The scenarios shown below are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.**

Share CFD (held intraday)		
Opening price:	P	50
Trade size (per CFD Lot):	TS	1000
Number of Lots	Lots	1
Margin %:	M	20%
Margin Requirement (USD):	$MR = TN \times M$	USD 10,000
Notional value of the trade (USD):	$TN = P/TS$	USD 50,000

The following assumptions on Shares have been used to create the scenarios in Table 1:

Table 1

LONG				SHORT			
Performance scenario	Closing price (inc. spread)	Price Change	Profit/loss	Performance scenario	Closing price (inc. spread)	Price Change	Profit/loss
Favourable	50.75	1.5%	\$750	Favourable	49.25	-1.5%	\$750
Moderate	50.25	0.5%	\$250	Moderate	49.75	-0.5%	\$250
Unfavourable	49.25	-1.5%	-\$750	Unfavourable	50.75	1.5%	-\$750
Stress	47.5	-5.0%	-\$2,500	Stress	52.50	5.0%	-\$2,500

The figures shown include all the costs of the product itself. If you have been sold this product by someone else or have a third party advising you about this product, these figures do not include any cost that you pay to them. The figures do not consider your personal tax situation, which may also affect how much you get back.

What happens if Rynat Trading Limited is unable to pay out?

In the unlikely event that the Company is unable to pay out its clients, retail clients may be eligible to compensation of up to the amount of 20,000 EUR or 90% of the cumulative covered claims of eligible clients, whichever is lower. For further information, please refer to our [Investor Compensation Fund Policy](#).

What are the costs?

Before trading, you should be aware of all associated charges. For additional details please refer to the [Company's trading conditions](#) and [Costs and Charges](#).

Costs over time

By selling you or advising you about this product you may be charged other costs. If so, will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself for a 2-week period. The figures assume you invest \$1,000.00. The figures are estimates and may change in the future.

Cost Composition

The impact each year of the different types of costs.

What the different cost categories mean.

Assumptions

Estimated Holding Period: 2 Weeks

Investment: \$1,000.00

Notional Amount: \$5,000.00

Total Costs: -\$125.70

Impact on Return: -12.57%

This table shows the impact on return per 2 weeks

One-off entry or exit costs	Spread	0.4%	The difference between the buy price and the sell price is called the spread. This cost is realised each time you open and close a trade.
	Commission & Currency conversion	0.4%	Any cash, realised profit and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account and a currency conversion fee will be charged to your account.
Ongoing costs	Daily holding cost	-10.9%	A fee is charged to your account for every night that your position is held. This means the longer you hold a position, the more it costs.
Incidental costs	Distributor fee	0%	We may from time to time share a proportion of our spread, commissions and other account fees with other persons including a distributor that may have introduced you.

Liquidation Level

Any open positions you have on your account may be automatically closed if your available funds fall below 100% of the required margin to have those positions open.

How long should I hold it and can I take 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, no cancellation period and therefore no cancellation fees. You can open and close a CFD on an FX pair at any time during market hours.

How can I complain?

Complaints may be addressed to the Company via email to compliance@rynattrading.com. For further information please refer to our [Complaints Handling Policy](#). If you are not satisfied with our final response to your complaint, you can contact the [Financial Ombudsman of the Republic of Cyprus](#).

Other relevant information

This key information document does not contain all information related to the product.

You can find detailed information on our CFDs by reviewing the [Trading Specifications](#) on our website.

It is a legal requirement for the Company to provide its clients with the following documents and policies: Client Agreement, Order Execution Policy, Risk Disclosures, Conflicts of Interest Policy, Client Categorisation Policy displayed in the legal section of our website, at [Legal Documents](#).

