

Key Information Document Exchange Traded Funds (ETF) CFDs

Purpose

This document provides key information about this investment product. It is not marketing material and it does not constitute as investment advice. The Key Information Document is required by law to assist in understanding the nature of; risks, costs, potential gain and losses of this product and better assist to compare with other financial products.

Product

Product name: Exchange Traded Fund (ETF) CFDs

Distributor and Manufacturer: Offered by Goldenburg Group Limited (the “Company”), a company registered in Cyprus with registration number HE 328474 and authorised by Cyprus Securities and Exchange Commission (“CySEC”), with Licence Number 242/14.

Alert

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

What is this product?

Type

ETF CFDs are a leveraged contract, offered by the Company on a bilateral execution basis. It allows the investor to obtain an indirect exposure to an underlying asset such as an ETF. This means the investor will never own the underlying asset but instead be able to make gains or incur losses because of price movements in the underlying asset. The investor has the option to either BUY the ETF CFD to benefit from rising prices in the underlying market, or to SELL the ETF CFD to profit from the falling prices. The price of the ETF CFD is derived from the price of the underlying market price. ETF can be constructed from Indices, be Commodity based or from a pool of Stocks. This product also includes Dividends (DVD) when based on a pool of Stocks, as it is correlated to the underlying stocks within the ETF that have paid DVD to their shareholders. This may be in a form of credit or debit when referring to CFDs.

Example

If an investor has opened a BUY position and the price of the underlying asset rises, the value of the ETF CFD will increase - at the end of the contract the Company will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if an investor opened a SELL position and the price of the underlying asset rises, the value of the ETF CFD will be increased - at the end of the contract the investor will pay the Company the difference between the closing value of the contract and the opening value of the contract. The leverage embedded within all ETF CFDs has the effect of magnifying both profits and losses. Cash Dividends may be a credit or debit depending whether the investor speculated a BUY or SELL position of the ETF CFD, based on the published underlying equities Dividends amounts from the pool of stocks comprising the ETF.

Objectives

The aim of the ETF CFDs is to allow an investor to take advantage from leveraged exposure to the movement in the value of the underlying market/asset (up or down), without the need to BUY the underlying ETF.

The exposure is leveraged because the ETF CFDs only requires a small percentage of the notional value of the contract to be put down in advance as initial margin and is one of the key features of trading ETF CFDs.

Example below: *ETF CFDs use up to 1:5 Leverage.

Example 1

ETF	Direction	Leverage	Position Size in Shares	Initial Margin	Open Price	Close Price	Change in %	Total Commission on Open/Close	Swap Paid *	Net Profit	Currency
VIX Y	BUY	1:5	100	156.00	7.8	9.12	16.92%	40	0.25	91.75	USD
VIX Y	SELL	1:5	100	156.00	7.8	10.15	30.13%	40	0.28	-275.28	USD
UVX Y	BUY	1:5	100	89.00	4.45	5.75	29.21%	40	0.16	89.84	USD
UVX Y	SELL	1:5	100	89.00	4.45	7.56	69.89%	40	0.21	-351.21	USD

*Position held over 1 night.

Below are the total aggregated costs expressed in monetary and percentage terms showing the compound effects of the total costs on the investment.

1. The total costs for this example were 40.25 USD and as such the costs reduced the trading profit by 30.49 %.
2. The total costs for this example were 40.28 USD and as such the costs contributed to the trading loss by 14.63 %.
3. The total costs for this example were 40.16 USD and as such the costs reduced the trading profit by 30.89 %.
4. The total costs for this example were 40.21 USD and as such the costs contributed to the trading loss by 11.45 %.

When free margin drops due to price movement in the opposite direction of the trades, one must either fund the account in-order to keep margin level above stop out (automatic system close of open order) level which is at 50% of margin level, or close position(s) to avoid being stopped out, i.e., automatic close of open position(s). Margin Call notification is communicated through a durable medium when margin level falls below 100%. With ETF CFD's there is no ownership of the underlying equity, but corporate actions apply, such as Dividends (when applicable) and Stock Splits. If an ETF is delisted from the primary exchange where it is listed, the position that is open for that ETF will then close automatically at the last tradeable price available based on the underlying market price and investors are notified via a durable medium. Before you start trading you should familiarize yourself with all costs and fees associated with trading. These charges will reduce any net profit or increase your losses. For more information about the composition of costs and fees please visit <https://toptrader.eu>

The Company also retains the ability to unilaterally terminate any ETF CFD contract where it deems that the terms of the contract have been breached.

Intended Retail Investor

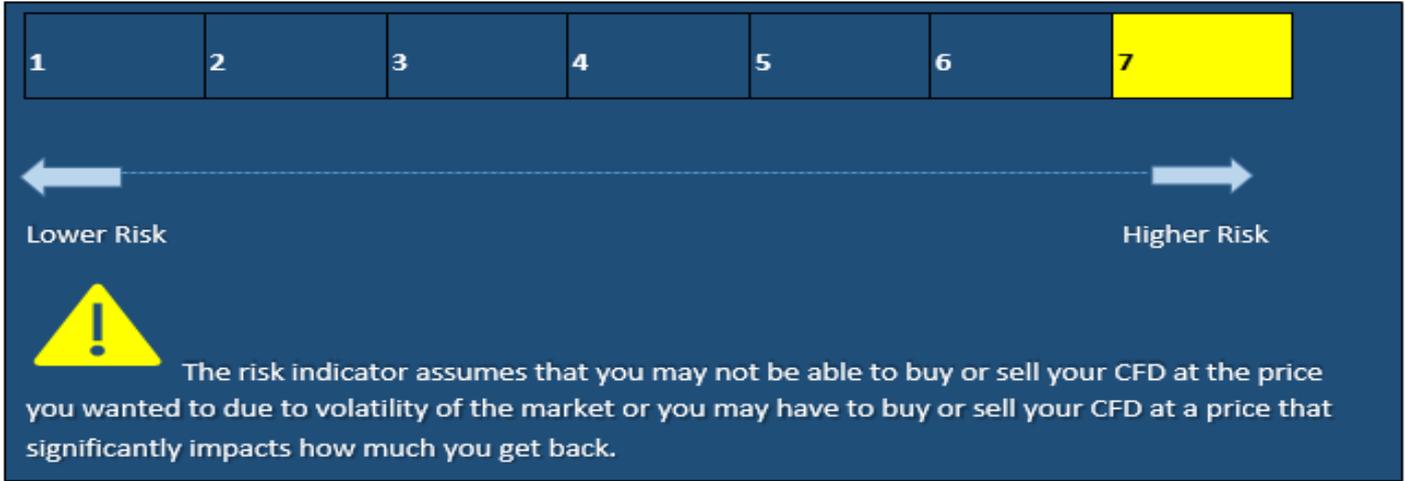
ETF CFDs are available for investors who have knowledge of the financial markets, and they are expected to have trading experience with leveraged products in the past. It is anticipated that the investors will have an understanding on how the prices of ETF CFDs are derived, the key concepts of margin and how leverage works. Moreover, they must

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understand that trading leveraged products might cause a loss of their entire invested capital and they must have the ability to bear losses.

Risk Indicator



The Risk indicator represents the risk involved in these products compared to other products. It illustrates the possibilities of how a products movement can lead to financial loss for the investor. The Risk indicator has been set to the Highest level. The rate indicates the potential losses from the product’s future performance. ETF CFDs are leveraged and risky products that can cause losses. Losses cannot exceed the amount invested (negative balance protection), however you may lose your entire invested capital. There is no capital protection against market risk, credit risk and/or liquidity risk.

Currency Risk

It is possible to buy or sell ETF CFDs in a different currency from the currency of your account. The final pay-out that you might receive depends on the exchange rate between the two currencies at the time of settlement.

Tax residence

The tax legislation of the retail investor`s country of residence/ tax residence may have an impact on the actual pay-out.”

Performance Scenarios

The below scenarios were demonstrated to provide information on how an investment may perform. This allows for comparisons between other products scenarios in order to identify which product is more suitable. The scenarios presented are an approximate future performance based on evidence from the past performance on how the value of this investment differs and are not an exact indicator. The outcome will be based on the market performance and how long the position is held open on the ETF CFD. The stress scenario indicates the possible outcome in extreme market circumstances. **Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent return. Actual returns could be lower.**

Scenario

ETF CFD	
Opening price: P	180
Trade Size (per CFD): TS	5
Margin %: M	20%
Contract Size: K	1
Margin Requirement (€): $MR= P \times TS \times M \times K$	180
Notional Value of the trade (€): $TN=MR/M$	900

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Currency USD

Table 1

BUY Performance Scenario	<u>Closing price</u> (incl. spread)	<u>Price</u> change	<u>Gross*</u> <u>Profit/Loss</u>	SELL Performance Scenario	<u>Closing</u> price (incl. spread)	<u>Price</u> change	<u>Gross*</u> <u>Profit/Loss</u>
Favourable	182.70	1.5%	€13.50	Favourable	177.30	1,50%	€13.50
Moderate	181.35	0.75%	€6.75	Moderate	178.65	0,75%	€6.75
Unfavourable	177.30	-1.5%	€-13.50	Unfavourable	182.7	-1,50%	€-13.50
Stress	171	-5%	€-45	Stress	189	5%	€-45

*Indicates gross amount of profit/loss before fees. For net amounts please refer to Example 1 above.

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

The Company segregates its clients' funds from its own, in accordance with the Law 87(I)2017 and the related Directive of the Cyprus Securities and Exchange Commission for the Safeguarding of financial instruments and funds belonging to clients. Moreover, the Company participates in the Investor Compensation Fund (ICF). The total payable compensation to each covered Client of the Company may not exceed the amount of twenty thousand Euros (EUR 20,000). Please refer to Cyprus and Securities and Exchange Commission website <http://www.cysec.gov.cy>

What are the Costs?

One-off Entry or exit Costs	Spread	The Difference between the Sell Price and Buy price
	Minimum Commission	The minimum fee charged for the service carrying out the transaction (it refers to STOCKS CFDs/ETF CFDs ONLY)
	Currency conversion	This is the cost for converting realized profits and losses as well as any costs and charges that are denominated in a currency other than the base currency of your trading account.
On-going Costs	Swaps	If a BUY or SELL position is open after market close, that open position will be subject to a Swap Fee
Incidental costs	Tax	The tax legislation of the retail investor's country of residence/ tax residence may have an impact on the actual pay-out.

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

ETF CFDs have no recommended holding period. Provided that the Company is open for trading the investor may BUY and/or SELL the ETF CFD provided that the underlying exchange is available for trading. Please review all the financial instruments and their trading hours at <https://toptrader.eu>

How can I complain?

For complete details of the complaint process please read '[Complaint Procedure for Clients](#)'

Other Relevant information: We encourage you to read the Terms of Business, Risk Disclosure and Warning Notice and the Best Interest and Order Execution Policy. You can find the mentioned documents, under the section [Legal documents](#). This information is also available upon request.

Date of the last review: March 2023

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