

## Key Information Document ("KID") - CFD on INDICES

### **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:**

The CFD on INDEX is offered by **WETRADE INTERNATIONAL CY LTD** (the "Company"), a Cypriot Investment Firm regulated by the Cyprus Securities and Exchange Commission (CySEC) with licence number **XXX/24**.  
Website: [www.wetradeeu.com](http://www.wetradeeu.com) Email: [support@wetradeeu.com](mailto:support@wetradeeu.com) Phone No.: **+35725XXXXXXX**

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

### **What is this product?**

#### **Type:**

This document relates to products known as 'contracts for difference', which are also known as CFDs. A CFD allows you to obtain an indirect exposure to an underlying asset such as a security, commodity, index and other asset types. This means you will never own the underlying asset, but you will make gains or incur losses as a result of price movements in the underlying asset. This document provides key information on CFDs where the underlying investment option that you choose is a financial index such as the FTSE 100 or S&P 500. An index is a portfolio of securities used to measure the value of a particular market or a segment of it. The Indices we currently offer CFDs on are found [www.XXXXXXXXXXX](http://www.XXXXXXXXXXX)

#### **Objectives:**

The objective of trading CFDs is to speculate on price movements (generally over the short term) in an underlying asset. Your return depends on movements in the price of the underlying asset and the size of your position. For example, if you believe the value of an index is going to increase, you would buy a CFD (also known as "going long") with the intention to sell it at a higher value. The difference between the price at which you buy and the price at which you subsequently sell equates to your profit, minus any relevant costs (detailed below). If you think the value of an index is going to decrease, you would sell a CFD (also known as "going short") at a specific value, expecting to buy it back at a lower price, resulting in us paying you the difference minus any relevant costs. However, in either circumstance, if the index moves in the opposite direction and your position is closed, either by you or as a result of a margin call (detailed below), you would owe us the amount of any loss you have incurred, subject to our negative balance protection.

To open a position, you are required to deposit into your account a percentage of the total value of the contract. This is referred to as the initial margin requirement (see further below). Trading on margin can magnify any losses or gains you make.

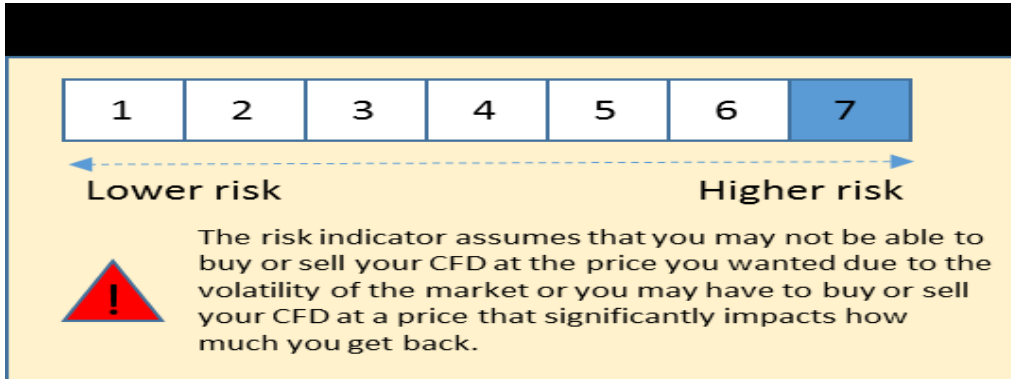
#### **Intended Investor:**

Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who are (1) a Retail Client; or (2) an Elective Professional Client who:

- i. Have relevant knowledge and/or experience to understand the characteristics of CFDs and risks associated with trading on margin, previous trading experience in CFDs and/or other derivative instruments traded with margin, on an execution-only basis (over the last 3 years); and/or a

- professional qualification and/or work experience that is relevant to trading in OTC leveraged financial instruments (over the last 3 years);
- ii. Have ability to bear 100% loss of all funds invested;
  - iii. Have a high-risk tolerance;
  - iv. Intend to use the product for short-term investment, speculative trading, portfolio diversification and/or hedging of exposure of an underlying asset.

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



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 – the total loss you may incur may significantly exceed the amount invested in a single trade, up to 100% of your trading balance.

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 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 get 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. The following assumptions have been used to create the scenarios in Table 1.

INDEX CFDs		
Opening Price	P	EUR 5000
Trade Size	TS	1
Margin %	M	2.00%
Notional Value of the trade	TN = CS x Lots	EUR 5000
Margin Requirement (£)	MR = TN x M	EUR 100

LONG Performance Scenario	Closing price inc Spread	Price Change	Profit /Loss	SHORT Performance Scenario	Closing price inc Spread	Price Change	Profit /Loss
Favourable	5075	1.50%	75	Favourable	4925	-1.50%	75
Moderate	5025	0.50%	25	Moderate	4975	-0.50%	25
Unfavourable	4925	-1.50%	-75	Unfavourable	5075	-5.00%	-75
Stress	4750	-5.00%	-500	Stress	5250	5.00%	-500

The stress scenario above shows how small price movements can rapidly lead to losses and in this circumstance, will result in a forced closure out of your position. In this stress scenario, you may owe us additional money, **but the loss is restricted to your account balance as we offer negative balance equity protection.** This does not take into account a situation where we are unable to pay you. 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 and are not exact indicators. What you get will vary depending on how the market performs and how long you keep the investment.

The figures shown include all the costs of the product itself. The figures do not take into account your personal tax situation, which may also affect how much you get back. 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 the Company is unable to pay out?

The Company is a member of the Investor Compensation Fund (hereinafter called the “Fund”) which covers nonprofessional clients as defined in the Investor Compensation Fund policy 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?

The principle cost or commission of trading CFDs is incorporated in what is known as the Spread, which is the difference between the sell and buy price. The Spread is fixed and can be viewed, along with other specific product information, in the Market Information Sheets which can be found here [www.wetradeeu.com](http://www.wetradeeu.com)

Therefore, before you begin to trade CFDs, you should familiarise yourself with all one-off and ongoing costs for which you will be liable.

### How can I complain?

For any complaints regarding the content and/or related to this KID email us at [www.complaints@wetradeeu.com](mailto:www.complaints@wetradeeu.com) or by post at **Agias Fylaxeos & Zinonos Rossidi 2, 2nd Floor, 3082, Limassol, Cyprus.** For further details, the investors should refer to Complaint Handling Form in the Company’s website.

### Other relevant information

The Legal Documents section of our website contains important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account.

For any information not found in this KID or the Company's website at [www.wetradeeu.com](http://www.wetradeeu.com) contact us by e-mail at [support@wetradeeu.com](mailto:support@wetradeeu.com)