

## KEY INFORMATION DOCUMENT

### CFD ETPs

#### 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, costs, risks and rewards of this product and to help you compare it with other products.

#### PRODUCT

The Manufacturer of this product is Saxo Bank A/S. Saxo Bank A/S is under the supervision of the Danish Financial Services Authority. ELANA Trading AD distributes this product. Contact us on +359 2 81 000 95 or e-mail [globaltrader@elana.net](mailto:globaltrader@elana.net) for more information. ELANA Trading AD is under the supervision of Bulgarian Financial Supervision Commission. 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, costs, risks and rewards of this product and to help you compare it with other products. **16 August 2017 r.**

#### ALERT

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

#### WHAT IS THIS PRODUCT?

##### TYPE

This is a 'Contract for Difference' ("CFD"). It allows you an indirect (also described as "synthetic") exposure to an underlying product or financial instrument (for example, to a security, commodity or index). You will have no direct interest in the underlying product/financial instrument. Accordingly, you can make gains or suffer losses as a result of price or value movements in relation to the underlying product or financial instrument to which you have the indirect exposure. Visit ELANA's website for further information in relation to the CFDs on Futures available <https://globaltrader.elana.net/en/en-tc/trading-conditions-cfd/>

ETPs (Exchange Traded Products), is the umbrella term used for 3 product subtypes with different characteristics.

**ETFs = Exchange Traded Funds.** An Exchange Traded Fund is an investment fund that trades on a stock exchange as a single security. It is designed to track an underlying benchmark. ETFs are open-ended, which means ETF shares can be created as necessary to meet demand. An ETF can track different asset types, i.e. Equities (incl. specific sectors or different regions or countries), Fixed Income, Commodities, Property, Volatility etc.

**ETCs = Exchange Traded Commodities.** Exchange Traded Commodities are debt securities that pay no interest. They are designed to give exposure to an individual commodity or a basket of commodities. ETCs are subject to different regulatory treatment to ETFs, which allows them to offer investors exposure to a single or small number of commodities. ETCs are often backed by either the physical asset or a derivative that gives exposure to an asset.

**ETNs = Exchange Traded Notes.** ETNs are non-interest bearing debt securities that are designed to track the return of an underlying benchmark or asset. ETNs are generally issued by banks, hold no assets and are not collateralised. Apart from the fact that their yield references an underlying benchmark or asset, ETNs are similar to unsecured, listed bonds. As such, ETNs are entirely reliant on the creditworthiness of the issuing entity. A change in that creditworthiness might negatively impact the value of the ETN, irrespective of the performance of the underlying benchmark or asset. In extreme circumstances, default by the issuer would leave the investor to claim as an unsecured creditor against the issuing entity.

**OBJECTIVES**

The objective of trading a CFD is to gain exposure to movements related to a financial product, benchmark or instrument without owning it. Your return depends on the size of the performance (or movement) of the underlying instrument and the size of your position. For example, if you believe the value of an Equity Index is going to increase, you would buy a number of CFDs (“going long”), with the intention to later sell them when they are at a higher value. The difference between the buy price and your subsequent sell price would equate 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 number of CFDs (“going short”) at a specific value, expecting to later buy them back at a lower value than you previously agreed to sell them for. The difference between the sell price and the buy price would equate to your profit, minus any relevant costs (detailed below). However, if the underlying instrument moves in the opposite direction you will make a loss. This product is commonly traded on margin. Margin refers to the use of a small amount of capital to support an investment of a larger exposure. Please note that margin trading requires extra caution, because whilst you can realise large profits if the price moves in your favour, you risk extensive losses if the price moves against you. More information about margin trading can be found here.

**INTENDED RETAIL INVESTOR**

Trading in this product will not be appropriate for everyone. This product would commonly be used by the following persons:

- who want to gain short term exposures to financial instruments/markets;
- who are using (trading with) money which they can afford to lose;
- who have a diversified investment and savings portfolio;
- who have a high risk tolerance; and understand the impact of and risks associated with margin trading.

**TERM**

CFDs on Futures will expire each month and will be cash settled on the expiry date of the underlying future. Front month (current contract) and back month (following contract) will be offered to enable clients to manually roll positions from one contract to the next. The specific expiry date and time for individual CFDs on Futures can be found in the trading platforms.

**WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?**

**RISK INDICATOR**

1	2	3	4	5	6	7
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low risk

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 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. Be aware of currency risk. You may receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. In some circumstances you may be required to make further payments to pay for losses. Trading risks are magnified by leverage – the total loss you may incur may significantly exceed the amount invested. 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. As a result, Margin calls may be made quickly or frequently, and in the event of default, your positions may be closed out and any shortfall will be borne by you. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you.

### PERFORMANCE SCENARIOS

There are a number of types of trading risk, including leverage risk, which you should be aware of before beginning to trade. Some but not all of the risks are listed below:

- Leverage risk;
- Risk of unlimited loss;
- Margin risk;
- Foreign exchange risk;
- Market risk;
- Unregulated market risk;
- Market disruption risk;
- Counterparty risk;
- Online trading platform and IT risk.

**EXAMPLE:** Specific trading examples in this product can be found at our website <https://globaltrader.elana.net/en/en-products/cfd/>.

### WHAT HAPPENS IF ELANA TRADING IS UNABLE TO PAY OUT?

ELANA Trading AD is a member of Investor Compensation Fund in Bulgaria (<http://sfund-bg.com/en>) In the unlikely event that ELANA Trading AD is declared bankrupt, The Fund pays out compensation to every client up to 90% of the amount of the receivable, but not more than 20 000 EUR.

### WHAT ARE THE COSTS?

Before you begin to trade CFDs on Futures 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 more information please visit our website. <https://globaltrader.elana.net/bg/tc/trading-conditions-cfd/>.

THIS TABLE SHOWS THE DIFFERENT TYPES OF COSTS FOR CFDS ETPs

One-off costs	Commission	The fee charged for the service of carrying out the transaction.
	Currency Conversion Fee	The fee charged for converting realised profit/loss from the instrument currency to the account currency.
Ongoing costs	Overnight Financing	If you hold a long or a short position open after the market close, you will be subject to an Overnight Financing charge.
	Borrowing costs (Short position only)	If you hold a short CFD ETP positions overnight you may be subject to a borrowing cost. The cost is dependent on the liquidity of the Stocks and may be zero (0) for high liquidity

### HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

CFDs on Futures have no recommended holding period. Provided that Saxo is open for trading you can enter and exit positions at any time. However, CFDs on Futures will expire each month and will be cash settled on the expiry date of the underlying future.

### HOW CAN I COMPLAIN?

If you as a client or a prospective client of ELANA Trading AD have raised a question or an issue with ELANA Trading AD you may file a complaint with ELANA Trading AD as per below.

- by e-mail to [globaltrader@elana.net](mailto:globaltrader@elana.net)
- by coming to ELANA's headquarter at address Bulgaria, Sofia 1756, Sopharma Business Towers, str. Lachezar Stanchev 5.
- by sending a letter to Bulgaria, Sofia 1756, Sopharma Business Towers, str. Lachezar Stanchev 5.

If you are not satisfied with the response to your complaint, you may file a complaint directly with Bulgarian Financial Supervision Commission (<http://www.fsc.bg/en/>) by sending an e-mail to [delovodstvo@fsc.bg](mailto:delovodstvo@fsc.bg)

### OTHER RELEVANT INFORMATION

This is a key information document for ASSET class financial instruments which is not comprehensive on the subject, but aims to provide basic information. Further information on the product is available on our website: <https://globaltrader.elana.net/en/en-tc/trading-conditions-cfd/>.