



Key Information Document (KID) – Rolling Spot Forex

I. 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 help you compare it with other products. You are advised to read it so you can make an informed decision about whether to invest.

II. Product

Product name: Rolling Spot Forex

Product provided by: XNT LTD, a company registered in Malta and regulated by the Malta Financial Services Authority.

Additional Information: For more information, please refer to our corporate website xnt.mt. This KID was created/last updated on 25.11.2019.

Alert

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

III. What is this product?

Type: The product is Rolling Spot Forex (also known as “Forex”, “FX”, “Spot Forex”, “Leveraged Forex”). The product allows you to obtain an indirect exposure to a currency pair or precious metal. This means you will never own the underlying asset, but you will make gains or suffer losses as a result of price movements (fluctuations) in the underlying asset (currency pair or precious metal such as Euro (EUR) against U.S. Dollar (USD), referred to as EURUSD for immediate delivery, or Gold (XAU) against U.S. Dollar (USD) for immediate delivery) to which you have the indirect exposure.

Rolling Spot Forex is always traded in pairs, and trading Forex pair involves the simultaneous buying and selling of two different currencies. A Forex pair quote will show both currencies, e.g. EUR/USD, the first currency

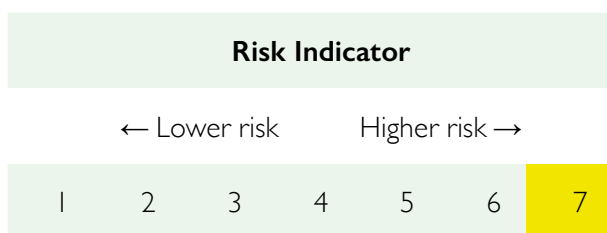


(EUR) is known as the base currency and the second (USD) is known as the variable currency. Forex trading gives an investor the choice to buy (go “long”) the currency pair if they think the price of the “base” currency will rise in relation to the “variable” or “quote” currency, or alternatively to sell (go “short”) the currency pair if they think that the price of the variable currency will rise in relation to the base currency.

Objectives: The objective of the Forex trading is to allow an investor to gain leveraged exposure to the movement in the value of the currency pair (whether up or down), without actually needing to buy or sell the currency. The exposure is leveraged since the Rolling Spot Forex only requires a small proportion of the notional value of the position to be deposited upfront as initial margin. As an example, an investor buys 100,000 EUR/USD at 1.1250 with an initial margin amount of 3.33%, the initial investment will be 3,746.25 USD (or 3,330 EUR) ($100,000 \times 3.33\% \times 1.1250$), which demonstrates the effect of leverage of, in this case 30:1 (or 3.33%). Taking into account the contract size for this market, for every point (pip) the market moves your profit or loss will change by 10 USD. For instance, if you are long and the market increases in value, you’ll earn 10 USD profit for every point (pip) the market moves. If the market decreases in value, you’ll make a 10 USD loss for each point (pip) it moves. If an investor holds a short position, a profit is made when the market price decreased and a loss if the market price increased. The Rolling Spot Forex does not have a pre-defined maturity date or expiration. There is also no recommended holding period and it is down to the discretion of each individual investor to determine the most appropriate holding period based on their own individual trading strategy and objectives. Additional funds may need to be deposited in the case of negative price movement. Failure to do so may result in the Forex position being closed.

Intended retail investor: This product is not appropriate for all Retail Clients. Rolling Spot Forex is intended for investors who have knowledge of, or are experienced with, leveraged products, understand that by investing in this product, they could lose some or all of their investment, accept the risk of losing some or all of their investment in exchange for the potential of higher return, understand that the underlying asset can be highly volatile and the value of the product may change frequently and therefore investors should have sufficient time to monitor and manage their investments, have experience trading this or similar products and understand that trading this product will include fees that will reduce the profitability of the investment the longer the product is held.

Insurance benefits: This product offers no insurance benefits or capital protection.



There is no recommended or minimum holding period for this product. The risk indicator should be used to compare this product 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.



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

We have classified this product as 7 out of 7, representing the highest risk class. The level 7 indicates that the potential losses from future performance of the product at a very high level. And it assumes that you may not be able to buy or sell the Forex position at a price you wanted due to the volatility of the market or you may have to buy or sell the Forex position at a price that significantly impacts how much you get back.

- Currency risk: **The currency you trade the Rolling Spot Forex in may be different from your domestic currency. In this case, be aware of currency risk.** The final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.
- Underlying asset class risk: The product provides indirect exposure to currency pair of precious metal and its trading is generally characterized by high risk, but which also allows for the opportunity of high returns. The product can be expected to have large fluctuations due to the nature of the asset class the product is exposed to.
- Capital protection risk: This product does not include any protection from future market performance so you could lose some or the entire amount you invest. If the XNT LTD. is not able to pay you what is owed, you could lose the amount you have invested.

Performance scenarios

The scenarios shown below 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 product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where the XNT LTD. is not able to pay you.

The scenarios in Table I are based on the following assumptions:

Rolling Spot Forex (i.e. EUR/USD held intraday*)		
Opening price	P	1.1250
Trade size	TS	100,000
Margin %	M	3.33%
Margin requirement	$MR=P \times TS \times M$	3,746.25 USD (3,330.00 EUR)
Notional value of the trade	$TN=MR/M$	112,500 USD (100,000 EUR)



Table I (Performance scenarios)

Scenario LONG Position	Opening Price	Closing Price	% Price Change	P/L before costs (USD)	Costs** (USD)	P/L after costs (USD)
Favourable	1.1250	1.1325	+0.67%	750	-11.29	738.71
Moderate	1.1250	1.1275	+0.22%	250	-11.27	238.73
Unfavourable	1.1250	1.1175	-0.67%	-750	-11.22	-761.22
Stress	1.1250	1.1065	-1.64%	-1,850	-11.16	-1,861.16
Scenario SHORT Position	Opening Price	Closing Price	% Price Change	P/L before costs (USD)	Costs** (USD)	P/L after costs (USD)
Favourable	1.1250	1.1175	-0.67%	750	-11.22	738.78
Moderate	1.1250	1.1225	-0.22%	250	-11.24	238.76
Unfavourable	1.1250	1.1325	+0.67%	-750	-11.29	-761.29
Stress	1.1250	1.1435	+1.64%	-1,850	-11.35	-1861.35

* If the position is held overnight, the overnight fee is charged. Overnight fees depend on the currency interest rates and are changed frequently. Current overnight fees can be found in the Client's area.

**Costs include trade fees.

V. What happens if XNT LTD. is unable to pay out?

The product is not covered by an investor protection or guarantee scheme. This means that if the XNT LTD. becomes insolvent or otherwise fails to make full payment, you may suffer a total loss of your investment.

VI. Fees and charges

Trading a Rolling Spot Forex incurs the following costs:



This table shows an impact on return per year

One-off costs	Entry costs	0.005%	The impact of the costs of entering your investment.
	Exit costs	0.005%	The impact of the costs of exiting your investment.
Ongoing costs	Overnight fee	variable*	The impact of the costs of holding your investment.
Incidental costs	Performance fee	N/A	Not Applicable

* Please refer to the Client's area for the current fees.

VII. How long should I hold it and can I take my money out early?

Rolling Spot Forex does not have any recommended holding period, and generally is used for short time trading. There is no lock-up period and you can liquidate the trading position and monetize the financial result at any time after you open the trading position.

VIII. How can I complain?

Any complaints should be addressed to complaints@xnt.mt as specified in Complaints Handling Procedure which is available on our website xnt.mt. If you do not feel that your complaint has been resolved satisfactorily, you are able to refer your complaint to MFSA. See mfsa.mt for further information.

IX. Other relevant information

If there is a time lag between the time you place your order and the moment it is executed, your order may not be executed at the price you expected. Ensure your internet signal strength is sufficient before trading. The Documents section of our website contains important information regarding your account. You should ensure that you are familiar with all the documents that apply to your account. The information contained in this Key Information Document does not constitute a recommendation to buy or sell the product and is no substitute for individual consultation with the investor's bank or advisor. The KID is a pre-contractual document which gives you the main information about the product (characteristics, risks, costs, etc.). Additional information can be found on the website xnt.mt or the trading platform.