



Key Information Document (KID) — US Exchange traded funds (ETF)

1. 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.

2. Product

Product name: US ETF

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 01.11.2024.

3. Alert

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

The following information is provided help you understand the nature and risks of investing in this product. You are advised to read it so you can make an informed decision about whether to invest.

4. What is this product?

Type: The product is an Exchange Traded Fund (ETF). ETFs are funds that trade on exchanges, generally tracking a specific index, a basket of instruments or leverage a single security. When you invest in an ETF, you get a bundle of assets you can buy and sell during market hours—potentially lowering your risk and exposure, while helping to diversify your portfolio. Accordingly, you can make gains or suffer losses as a result of price or value movements of the assets composing the ETF. ETFs are commonly divided into the following categories:

Tracker ETF: Aims to mirror the performance of a specific benchmark. Performance may deviate from the benchmark over certain periods; therefore, exact replication is not guaranteed.

Leveraged ETF: Seeks to deliver a multiple of the benchmark's returns.

Inverse or Short ETF: Designed to provide returns that are inversely correlated to the benchmark's performance. They can be leveraged or non-leveraged.

Objectives: The objective of trading an ETF is to gain exposure to fluctuations of the benchmark to which it is subject (an index, a basket of securities, leveraged or short exposure to a single or multiple securities). Please note that trading leveraged or inverse ETFs requires extra caution, because whilst you can realize large profits if the price moves in your favour, you risk extensive losses if the price moves against you. If an investor holds a short position in an ETF, a profit is made when market price decreases and a loss is incurred when market price increases. The ETF does not have a pre-defined maturity date. As a result, there is 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.

Intended retail investor: This product is not appropriate for all Retail Clients. US ETFs are intended for investors who have knowledge of, or are experienced with, funds and 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 benchmark 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.

- Knowledge and experience: have high knowledge in capital markets and proven experience in trading complex financial instruments;
- Financial situation: have a financial situation that allows the loss of the initial investment;
- Risk tolerance: Seek speculative and high return investments, but understand the associated increased risks;
- Objectives and needs: Aim hedging and speculation.



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

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

Risk Indicator						
← Lower risk			Higher risk →			
1	2	3	4	5	6	7

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.

We have classified this product as 6 out of 7, representing the second highest risk class. The level 6 indicates that the potential losses from future performance of the product at a high level. And it assumes that you may not be able to buy or sell the ETF at a price you wanted due to the volatility of the market or you may have to buy or sell the ETF at a price that impacts how much you get back.

- **Currency risk:** The currency you trade the ETF 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 is based on the performance of the assets the ETF is composed of. The product can be expected to have large fluctuations due to the nature of the underlying asset class.
- **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.
- **Leverage:** You should carefully consider whether leveraged or Inverse ETF trading is right for you.

The investor may close the position at any time during the exchange trading hours, provided that there is enough liquidity in the market.

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:

US ETF (held intraday*)

Opening price (USD)	P	50
Trade size (amount of ETFs)	TS	100
Notional value of the trade (USD)	TN=P*TS	5'000

Table I (Performance scenarios)

	Opening Price	Closing Price	% Price Change	P/L before costs	Costs**	P/L after costs
Scenario LONG ETF						
Favourable	50.00	55.00	+10.00%	500	-4.00	496.00
Moderate	50.00	52.50	+5.00%	250	-4.00	246.00
Unfavourable	50.00	45.00	-10.00%	-500	-4.00	-504.00
Stress	50.00	37.50	-25.00%	-1,250	-4.00	-1,254.00

* Holding the position overnight may be subject to custody fees. Before trading, please see the instrument specific fees in your client area.

** Costs include trade fees for opening and closing of the position. Please note that costs may vary for different instruments. Always consult Terms / Commissions and Overnights sections in your Client Area to see the instrument specific costs.



6. 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 in case XNT LTD. becomes insolvent or otherwise fails to make full payment, you may suffer a total loss of your investment.

7. Fees and charges

Trading US ETFs incurs the following costs:

This table shows an impact on return per year

	Spread	Variable	The difference between the buy price and the sell price is called the spread. This cost is realised each time you trade.
One-off costs	Entry costs	0.02 USD (min 1 USD)*	The impact of the costs of entering your investment.
	Exit costs	0.02 USD (min 1 USD)*	The impact of the costs of exiting your investment.
Ongoing costs	Custody fee	N/A*	The impact of the costs of holding your investment.

* Please note that costs may vary for different instruments. Always consult Terms / Commissions and Overnights sections in your Client Area to see the instrument specific costs.

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

US ETF does not have any recommended holding period, and can be used for speculation, hedging or even long-term investing. There is no lock-up period and you can liquidate the open position any time during the exchange trading hours, provided that there is enough liquidity in the market.

9. 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](#). 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.

10. Other relevant information

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.