Key Information Document CFDs on Forex

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.

CFDs on Commodities are offered by Inbase holding limited. Inbase holding limited is an International Company registered in the Commonwealth of the Canada, number 121914522, Inbase holding limited is authorised and regulated by the Securities Commission of the Canada. Call +1 416 919 3967 or go to inbasetrader.com for more information.

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

What is this product?

Type:

A contract for difference ("CFD") is a leveraged contract entered in to with InbaseTrader on a bilateral basis, settled in cash. It allows an investor to speculate on the rising or falling prices of an underlying Forex pair. A Forex pair (e.g. EURUSD) involves the simultaneous buying and selling of two different currencies. The first currency referenced in a currency pair is known as the base currency (EUR) and the second (USD) is known as the Quote currency.

The price of the CFD on a Forex pair is derived from the price of the underlying Forex pair, which is the current spot price. An investor has the choice to buy (or open a "long position") in the currency pair if they think the price of the base currency will rise in relation to the quote currency. Alternatively, the investor has the choice to sell (or open a "short position") the currency pair, if they think the price of the base currency will fall in relation to the quote currency. Trading CFDs with leverage requires extra caution, because it has the effect of increasing both profits and losses.

The CFD on Forex does not have a pre-defined expiry date and is therefore open-ended

Objectives:

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying Forex pair (whether up or down), without owning the physical Forex pair. The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be put down upfront as initial margin. For example, if an investor buys 1 lot of CFD (1 lot equals 100,000) on EUR/USD with an initial margin amount of 0.25% and an underlying EUR/USD price of 1.2010, the initial investment will be 250 EUR or the equivalent in your accounts currency. The effect of the leverage, in this case 1:400 (0.25%) has resulted in notional value of the contract of 100,000 EUR (250 x 400). This means that for each 0.0001-point change in the price of the underlying Forex pair, the value of the CFD changes by 10 USD. For example, the investor is long and the underlying Forex pair increases in value, a 10 USD profit will be made for every 0.0001-point increase in that underlying Forex pair.

However, if the underlying Forex pair decreases in value, a 10 USD loss will be incurred on each 0.0001-point the Forex pair decreases in value. Conversely, if an investor holds a short position, a profit is made in line with any decreases in that underlying Forex pair, and a loss for any increases in the underlying Forex pair. CFDs on Forex do not have a 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 intended for investors who in the short term are prepared to take a higher level of risk of loss for a higher potential return on the capital invested in the Product. The Product is targeted at investors having speculation or hedging objectives, and who have experience in trading derivatives on margin. The margin requirement on this Product may differ depending on the trading experience and relevant knowledge of the retail investor

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

Risk indicator

1 2 3 4 5 6 **7**

Lower risk — Higher risk

The risk indicator assumes that you may not be able to buy or sell your CFD at the price you wanted to due to volatility of the market or you have to buy or sell your CFD at a price that significantly impacts how much you get back.

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 of the product at a very high level. CFDs are leveraged products that due to underlying market movements can generate losses rapidly. You may be required to deposit additional funds. There is no capital protection against market risk, credit risk or liquidity risk.

Be aware of currency risk.
It is possible to buy or sell CFDs on commodities in a currency which is different to the base currency of your account. Therefore, the final return you may get will depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. The above indicator also does not cover the risks associated with trading in extended trading hours (if available), such as lower liquidity, higher volatility, wider spreads, differing quotes and/or changing prices.

This Product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section "What happens if Inbase holding limited is unable to pay?"). The indicator shown above does not consider this protection. Also, the risk could be significantly higher if the Product is held for a longer period of time.

Performance scenarios

The scenarios shown below illustrate how your investment could perform. You can compare them with the scenarios of other products. 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 the second table:

CFD on FX pair (held intraday)		
FX Pair opening price	P	1.2010
Trade size (per CFD)	TS	1 Lot
Margin %	M	0.25%
Margin Requirement (EUR)	MR = P x TS x M	250
Notional value of the position (EUR)	TN = MR/M	100,000

LONG Position Performance Scenario	Closing price	Price change	Profit/ Loss	SHORT Position Performance Scenario	Closing price	Price change	Profit/ Loss
Favourable price	1.2178	1.40%	1,400.00	Favourable price	1.1842	-1.40%	1,400.00
Moderate	1.2082	0.60%	600.00	Moderate	1.1938	-0.60%	600.00
Unfavourable price	1.1830	-1.50%	-1,500.00	Unfavourable price	1.2190	-1.50%	-1,500.00
Stress	1.1410	-5%	5,000.00	Stress	1.2611	-5%	-5,000.00

The performance figures above only include the cost of the spread and do not include the other costs shown below. If you have been sold this product by someone else, or have a third party advising you about this product, these figures do not include any cost that you pay to them. The figures do not take into account your personal tax situation, which may also affect how much you get back

Negative Balance Protection

Our primary objective is our clients' interests and that is why with InbaseTrader your balance will not go into negative. The trade out level on your account is in place to help ensure you do not lose more money than your deposit. As an added safeguard, we offer Balance Protection Policy and will credit your account to a zero balance if your account goes into negative as a result of trading activity. The Balance Protection Policy applies across multiple accounts as well, therefore if you have a negative balance in your account and a credit balance in your second account then the credit balance will be used to offset the negative balance. This also applies to joint accounts, where each joint account holder will be responsible for a debit or credit available equally. The balance protection is open to all retail clients.

What Happens if ActivTrades Corp is unable to Pay?

If Inbase holding limited is unable to meet its financial obligations to you, you may lose the value of your investment. However, Inbase holding limited segregates all retail client funds from its own money in accordance with the NFA' Securities Industry Regulation. Inbase holding limited is regulated by the Securities Commission of the Canada therefore, our customers are not eligible for compensation under the Financial Services Compensation Scheme, as this is a service provided under regulations.

What are the costs?

This table shows the different type of costs for CFDs on Forex		
One off costs	Spread	The spread is the difference between the buy (ask) and the sell (bid) price. It is incurred every time you open a trade with us.
Ongoing costs	Financing Cost	The financing cost (swap) is charged for holding open positions overnight. It depends on the prevailing interest rates and can result in an account debit or credit.

How can I make a complaint?

If you wish to make a complaint you can contact us in first instance at:
Complaints, InbaseTrader, 815 Major Mackenzie E Dr, 12-258, Richmond Hill, L4C9X2, Ontario, Canada or
Info@inbasetrader.com

Other relevant information

The key Information Document does not cover all information relating to this Product. Additional information about this product is available on our website – **www.inbasetrader.com**
You should ensure that you read the Terms of Business, Risk Disclosure Notice, Summary execution policy and Conflicts of interest Policy, displayed in the legal section of our website.