



KEY INVESTOR INFORMATION DOCUMENT

CFD BONDS

Version 1.3

Last Updated 15th March 2023

 **GBE brokers**
Passion for trading



KEY INVESTOR INFORMATION DOCUMENT - CFD Bonds

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

Product

Contract for Difference on Bonds. The Manufacturing of this product is GBE Brokers LTD. Contact us on +357 (25) 28 17 36 for more information. GBE Brokers Ltd. Is regulated by the Cyprus Securities and Exchange Commission (CySEC). This Key Information Document was first published on 21st of December 2017 as "Key Information Documents CFD Indices, Commodities, Shares, Metals, Cryptocurrencies, Bonds".

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 instrument being Bonds. 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. No capital protection against market risks is offered. Visit www.gbebrokers.com for further information in relation to the CFDs on Bonds available.

What is a CFD on Bonds?

GBE Brokers may offer CFDs on different underlying instruments. In this case it is a CFD linked to the price of a Bonds.

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 a Bond 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 equal to your profit, minus any relevant costs (detailed below). If you think the value of a Bond 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, resulting in GBE Brokers paying you the difference, minus any relevant costs (detailed below).

However, if the underlying instrument moves in the opposite direction, and your position is closed, you would owe GBE brokers for the amount of loss you have incurred (together with any costs). 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 realize large profits if the price moves in your favor, you risk extensive losses if the price moves against you. The leverage amplifies your gains and your losses. Please note the maximum leverage for Retail clients is 1:5 which corresponds to a minimum margin requirement of 20%. This means that your gains and losses will be multiplied up to 10 times. More information about margin trading can be found [here](#).

Intended retail investor

Trading in this product will not be appropriate for everyone. The product would most commonly be utilized by persons who want to generally gain short term exposures to financial instruments/markets; are using (trading with) money which they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; have knowledge and experience in trading CFD products and understand the impact of and risks associated with margin trading (leveraged products). Knowing our products is crucial for making informed trading decisions.

Term

CFDs on Bonds are execution only products and generally therefore have no fixed or suggested maturity date. It is up to you to open and close your position, however your position will only be kept open to the extent that you have available margin, and you will receive a stop out when your margin level falls between the close out level. Sharp movements of the market can lead to a total loss of the invested capital in a very short time frame. Specific information on each underlying investment option can be found [here](#).

KEY INVESTOR INFORMATION DOCUMENT - CFD Bonds

What are the risks and what could I get

Risk Indicator



LOW RISK

HIGH RISK

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 consider the situation where we are not able to pay you. Sharp movements of the market can zero-out the client's account. Please note the maximum leverage for Retail clients is 1:5 which corresponds to a minimum margin requirement of 20%. This means that your gains and losses will be multiplied 5 times.

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

Commodity CFD (held intraday)		
Commodity opening price:	P	2,500
Trade size (per CFD):	TS	1
Margin %:	M	10%
Margin Requirement (€):	$MR = P \times TS \times M$	€ 250
Notional value of the trade (€):	$TN = MR/M$	€ 2,500
Account Balance		€10,000
Remaining Free Margin Account		€9,750

Table 1

LONG Performance scenario	Closing price (inc. spread)	Price change	Profit/loss	Account Balance	SHORT Performance scenario	Closing price (inc. spread)	Price change	Profit/loss	Account Balance
Favorable	2,538	1.5%	€ 37.50	€ 10,037.50	Favorable	2,462.5	-1.5%	€ 37.50	€ 10,037.50
Moderate	2,513	0.5%	€ 12.50	€ 10,012.50	Moderate	2,487.5	-0.5%	€ 12.50	€ 10,012.50
Unfavorable	2,463	-1.5%	-€ 37.50	€ 9,962.50	Unfavorable	2,537.5	1.5%	-€ 37.50	€ 9,962.50
Stress	2,375	-5.0%	-€ 125.00	€ 9,875.00	Stress	2,625	5.0%	-€ 125.00	€ 9,875.00

The figures shown include all the costs of the product itself. 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. Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

KEY INVESTOR INFORMATION DOCUMENT - CFD Bonds

What happens if GBE Brokers is unable to pay out?

GBE Brokers Ltd. Is a member of the Investor Compensation Fund ("ICF") for the Clients of Cyprus Investments Firms ("CIFs"), under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulates Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time ("the Law"). Detailed information can be found [here](#)

What are the costs?

Before you begin to trade CFDs you should familiarize 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.

This Table shows the different types of costs for CFDs on Bonds:

Type of cost	Payable	Definition
Spread	One- off costs	Difference between Bid (sell) and Ask (buy)
Commission	One- off costs	Fix Commission based on trade volume
Ongoing costs	Overnight Financing	If you hold a long or short position open after the market close, you will be subject to an Overnight Financing charge

Bonds cost example:

Buy: 1 Lot TY.f (US 10yr T-Note) @50 USD (200 Index Points)

Spread: 0.03 USD

Swap Rate: 0

Spread in USD: 0.03

Commission: 0

Swap in USD (if you keep the position overnight): 0

Total costs in USD: 6 USD (0.03 x 200 barrel)

Costs in % for opening and 1 Day overnight: 0.120%

How long should I hold a trade, and can I take money out early?

CFDs on Bonds have no recommended holding period. Provided that GBE brokers is open for trading you can enter and exit positions at any time.

How can I complain?

If you as a client of GBE brokers have raised a question or an issue with GBE brokers, for instance with your account manager or another employee of GBE brokers, without receiving a satisfactory answer you may file a complaint with GBE brokers as per our [Complaints Procedure for Clients](#).

Other relevant information

The Legal Documents on our website contain important information regarding your account. You should ensure that you are familiar with all the [Legal Documents](#) that apply to your account.