

Key Information Document – Contract for Difference (CFD) on a Forex Basket

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.

PRODUCT

Name of Product:	Contract for Difference (“CFD”) on a Forex Basket
Manufacturer:	Stratos Europe Limited (“Tradu” and/or the “Company”), part of Stratos Group
Competent Authority:	Tradu is authorised and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) under license number 392/20. CySEC is responsible for supervising Tradu in relation to this document.
Contact Details:	Website (www.tradu.com) Telephone (+357 22 030 385) and Customer Support Team which is available via phone, email or live chat (www.tradu.com/eu/support)
Date of Document:	This document was last updated on 17 June 2025



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

WHAT IS THIS PRODUCT?

Type: CFDs on forex baskets allows you, the investor, to speculate on price movements without owning the underlying assets. A CFD is a leveraged Over-the-Counter (OTC) derivative contract between you and Tradu. Forex Basket is a singular tradeable instrument that is derived from the pricing of multiple correlated forex pairs. The purpose of these baskets is to allow investors to speculate on a currency or currencies and reduce risk (by not being exposed to a singular pair) without having to open multiple positions. These contracts are settled in cash, and you do not acquire any ownership or rights to the underlying asset itself. At the time of the basket’s inception, each component had equal exposure in terms of the base currency. The baskets will from that point forward measure the collective performance of the base currency vs the counter currencies.

For example, EMBasket is a basket that pits 4 Emerging Markets vs the US Dollar (USD/TRY, USD/ZAR, USD/CHN and USD/MXN). The EMBasket price at inception was \$10.000 USD, therefore at inception for each of its 4 components the amount of exotic counter currency available for \$2.500 was recorded. If today that same amount of exotic counter currency that was then worth \$2.500 is now worth \$2,615, that components contribution to the EMBasket will be \$2,615. The real time contribution of each of the components will formulate the current rate of the basket.

If you buy (this is also known as “going long”) one or more contracts of that CFD on forex basket and the price rises, the value of the CFD will increase; when the contract is closed you will receive the difference between the closing and the opening value of the contract, minus any relevant costs (detailed explained hereinbelow). Conversely, if you think the value of a forex basket is going to decrease you could sell a number of forex basket contracts (this is also known as “going short”) at a specific value, expecting to later buy them back at a lower price.

However, in either circumstance if the instrument’s price moves in the opposite direction and your position is closed, either by you or as a result of a margin call (detailed explained hereinbelow), your account would be debited for the loss of the trade plus any relevant costs. CFDs are leveraged products traded on margin. This means that only a small percentage of the contract’s notional value is required to enter a trade. Leverage can significantly magnify your profits but can also lead to the loss of the total amount invested.

You can visit Tradu’s [website](http://www.tradu.com) for more information on the currency pairs available.

Objectives: The objective of trading CFDs on forex baskets is to speculate on price movements of a singular currency vs a group of others. Your return depends on the underlying market movements between the price of the basket, the size of your position (*i.e.*, the amount you invested) and the holding period.

Intended Retail Investor: Trading these products will not be appropriate for everyone and are for clients with a relatively short-term investment horizon, who among others: i) understand and are willing to bear the high risks involved, including but not limited, to the risks associated with margin trading; ii) are financially able to bear the risk of a total loss of their invested amounts, subject to the negative balance protection mechanism offered by the Company; iii) possess the necessary experience and knowledge about trading in derivatives and their underlying instruments

Term: CFDs on forex basket positions have no maturity date nor a minimum holding period. You, the investor, decide when to open and close your positions. Tradu may close your position without seeking your prior consent if you do not maintain sufficient margin in your account. Specifically, a margin call will occur when the equity (*i.e.*, the total value contained in your account after reductions for loss incurred owing to price movements of the underlying currency pair) of the account drops to less than 50% of the initial margin amount. Therefore, a margin call will liquidate all open positions on your account. The Company also reserves the right to close a position where it deemed that you have breached market regulations. Tradu processes all liquidations automatically, for more information on how Margin Warnings and Margin Calls work we encourage you to review our [execution risks](#). Tradu Margin Requirements can vary and are updated monthly and can be increased temporarily to mitigate risks prior to major market events or in increasingly volatile markets.

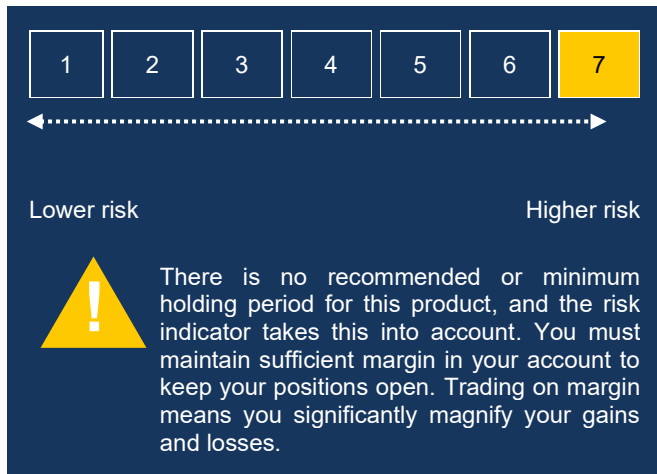
The minimum margin requirements for Forex Basket CFD is 5%. Current margin requirements can be viewed in the dealing rates and “Create Order” window on the trading platform.

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

Risk Indicator

The summary risk indicator is a guide to the level of risk of these products 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 these products as 7 out of 7, which is the highest risk class.



Lower risk Higher risk

! There is no recommended or minimum holding period for this product, and the risk indicator takes this into account. You must maintain sufficient margin in your account to keep your positions open. Trading on margin means you significantly magnify your gains and losses.

CFDs are complex instruments that due to leverage can generate losses rapidly. Leverage magnifies the impact of price movements in the underlying asset and may adversely affect your position and/or you could lose all of your invested funds.

Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown herein.

Market conditions may mean that your CFD trade is closed at a less favourable price, which could significantly impact how much you get back.

This product does not include any protection from future market performance so you could incur significant losses. If Tradu is not able to pay you what is owed, you could lose your entire investment. However, you may benefit from the Investor Compensation Fund (refer to the section below "What happens if Tradu is unable to pay out?"). The indicator shown herein does not consider this protection.

Performance Scenarios

The table below illustrates how your investment could perform under different scenarios. The figures shown below include all the costs of the product itself. The figures do not take into account your personal tax situation, which may also affect how much you get back. **What you will get from this product depends on future market performance, which is uncertain and cannot be accurately predicted.** The scenarios are illustrative, based on past performance along with certain assumptions and are not exact indicators of future outcomes. You can compare them with the scenarios of other products.

Each instrument has a different pip cost (value risked for every change of a certain digit in price) associated to it. Pip cost is displayed in the trading platform, when entering a Market or Entry Order.

This table shows potential profit and loss under different scenarios. The scenarios assume you choose to open 10 contracts of USDollar long/short position on a USD denominated account with holding period (the "HP") of one day. This particular product has a pip cost of \$1 per 1 contract, meaning in this case you will make or lose \$10 for every pip the price moves. A pip on this instrument is the fourth digit after the decimal place. The Entry Margin Requirement for the position is \$4500 and therefore the Liquidation Margin Requirement is \$2250.

The below table does not include overnight holding costs or commissions (explained further hereinbelow).

Scenarios and Metrics		Long	Short
Stress Scenario*	What you might get back after costs (USD)	104500	116600
	Profit or Loss (USD)	-5500	-6600
	Return for HP (%)	-5%	-6%
Unfavorable Scenario	What you might get back after costs (USD)	108680	112200
	Profit or Loss (USD)	-1320	-2200
	Return for HP (%)	-1.20%	-2%
Moderate Scenario	What you might get back after costs (USD)	109670	110220
	Profit or Loss (USD)	-330	-220
	Return for HP (%)	-0.30%	-0.20%
Favourable Scenario	What you might get back after costs (USD)	110550	109560
	Profit or Loss (USD)	550	440
	Return for HP (%)	0.50%	0.40%

**The stress scenario shows what you might get back in extreme market circumstances not covered in the unfavourable scenario. The position should automatically close when the margin level of your account drops to 50%. However, under extreme market conditions the position may close at an even lower margin level. Your loss should not exceed the amount invested, since you are covered by negative balance protection.*

WHAT HAPPENS IF TRADU IS UNABLE TO PAY OUT?

If Tradu is unable to meet its financial obligations to you, you may lose the value of your investment you have with Tradu. However, the Company is a member of the Investor Compensation Fund ("ICF") which secures the claims of the covered clients against members of the ICF, through the payment of compensation. The maximum amount of compensation paid to applicants, who will be deemed as eligible for compensation, are investments up to €20,000 or 90% of the cumulative covered claims of the covered investor, whichever is lower. The coverage applies to the total amount of claims by an applicant against an ICF member, irrespective of the number of accounts, the currency and the place of provision of the service. For more information about the ICF can be found on [CySEC's website](#).

WHAT ARE THE COSTS?

Costs over time

The table below demonstrates the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown below are illustrations based on an example notional amount of 11.200 USD which is held for an illustrative holding period of one day.

Costs if you close your investment after the HP		
	Long	Short
Total Costs (USD)*	1.64	1.46
Cost Impact**	0.015%	0.013%

*The illustration assumes that the instrument's currency is equal to your account currency.
 **This illustrates the effects of costs over a holding period of less than one year. This illustration presents the costs in relation to the notional of the investment.

Composition of Costs

This table shows the different types of costs involved when you trade CFD forex basket products.

One-off costs		Entry	Exit
Entry and Exit Costs	Spread: Spread is the difference between the buy (ask) and sell (bid) price quoted. This cost incurs each time you open and close a trade and it is included in the price you pay. Spreads are subject to variations, especially in volatile market conditions. The spread can be seen on the platform and average spread costs are available on our Website.	USD 1.3	0
		0.012%	0%
Ongoing charges		Long	Short
Management Fees and Other Administrative or Operating Costs	Rollover (Debit or Credit): "This is the interest paid for holding a position past 5 PM EST and is based on the size of the position. Rollover for one Forex Baskets contract is derived based on the Rollover of the individual components that make up the basket. The required rollover of each forex pair (based on its current size in the basket) is added together to formulate the basket rollover. For Forex pairs the formula for financing cost is as follows: $(\text{Intra Bank Swap rates} \times \text{pip cost}) \times (1 \pm \text{mark-up})$ On Wednesday, to account for holding a position into the weekend, Rollover are 3X times higher than usual.	USD 0.34	USD 0.1625
		0.003%	0.001%
Transactions' Tax	You will be charged with a withholding tax when trading CFDs on US instruments (long positions only), unless you provide the W8-BEN (or W9 as applicable) from indicating your tax residency. In case the form is provided, the applied tax will be based on any tax treaty between your tax residency and the US. The withholding tax is set at 30%.	Depends on the enforced tax treaty.	

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

Recommended holding period: None

This product generally has no fixed term and will expire when you choose to exit the contract or in the event you do not have available margin. There is neither a recommended holding period nor a cancellation period or fees. You should monitor the product to determine when the appropriate time is to exit. **You can close your contract at any time during market hours.**

HOW CAN I COMPLAIN?

If you wish to make a complaint in relation to the product or the Company's conduct, you may submit your complaint:

- via the following [form](#);
- via email to compliance@tradu.com; or
- via postal mail to Tradu at: Stratos Europe Limited, 33 Neas Engomis Street, 2409 Engomi, Nicosia, Cyprus.

For further details regarding our [Complaints Handling Procedure](#), you may refer to our website. If you're not satisfied with our response or we rejected your complaint, you may address your complaint to the [Financial Ombudsman of the Republic of Cyprus](#) or to the [European Online Dispute Resolution \(ODR\) platform](#).

OTHER RELEVANT INFORMATION

This document provides a high-level summary of the product. In accordance with the provisions of the applicable regulatory framework, a list of important information/documents is available to you at the [General Business Terms](#) page on our website, therefore please ensure that you read them carefully before proceeding. Such documentation is also available on request.