

# KEY INFORMATION DOCUMENT — CFDs on Indices (Equity Index CFDs)

**⚠️ COMPREHENSION ALERT — You are about to purchase a product that is not simple and may be difficult to understand.**

Manufacturer	ABF Trade EU Limited
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Regulator	CySEC · Licence 171/12
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## PURPOSE

This document provides 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, gains and losses of this product.

## WHAT IS THIS PRODUCT?

<b>Type</b>	Contract for Difference (CFD) on Indices (Equity Index CFDs). A CFD lets you speculate on rising or falling prices without owning the underlying asset. You can go long (buy) or short (sell). Your profit or loss is the difference between the opening and closing price.
<b>Leverage</b>	Maximum 1:20 for retail clients. You deposit 5.00% of the notional value as margin. Example: Germany 40 (DAX) at 18,000 EUR — a 18,000 EUR position requires 900 EUR margin.
<b>Objectives</b>	Short-term speculation on equity index price movements. Not suitable for long-term investment.
<b>Target client</b>	Experienced investors who understand leverage, accept the risk of losing their entire account balance, and seek short-term speculative exposure.

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



### Risk: 7/7 — Highest Risk

This product carries the highest level of risk. Leverage means small adverse price moves cause large losses relative to your margin. You can lose your entire account balance. Negative balance protection (NBP) ensures you cannot owe more than the funds in your account. At 1:20 leverage, a 5% adverse weekly move would eliminate the entire margin deposit.

Index prices can gap sharply on macroeconomic data releases, geopolitical events, or constituent earnings surprises.

## Performance Scenarios — Recommended Holding Period: 1 week (5 trading days)

Scenarios show potential outcomes for a 18,000 EUR notional position (margin: 900 EUR) over the 1-week RHP. Calculated by bootstrapping historical equity index returns per PRIIPs RTS Annex IV. Stress = 5th percentile; Unfavourable = 10th; Moderate = 50th; Favourable = 90th. Past performance is not a reliable indicator of future performance.

Scenario	% of Notional (18,000 EUR)	Cash P&L (EUR)	% of Margin (900 EUR)	Commentary
<b>Stress</b>	-4.17% / -EUR 751	-EUR 751	-83.4% / -EUR 751	5th percentile. Index falls 4.17% over 1 week. At 1:20: -83.4% on margin.
<b>Unfavourable</b>	-3.25% / -EUR 585	-EUR 585	-65.0% / -EUR 585	10th percentile. Index falls 3.25%. At 1:20: -65.0% on margin.
<b>Moderate</b>	0.00% / EUR 0	EUR 0	0.0% / EUR 0	50th percentile. Near-zero movement. Flat result.
<b>Favourable</b>	+3.25% / +EUR 585	+EUR 585	+65.0% / +EUR 585	90th percentile. Index rises 3.25%. At 1:20: +65.0% on margin.

## Key risks not adequately covered by the summary risk indicator

- Concentration risk: Indices with high single-stock weights (e.g., tech-heavy indices) can move sharply on one company's earnings.
- Overnight financing risk: Daily swap charges accumulate on positions held beyond the 1-week RHP.
- Gap risk: Indices can open significantly higher or lower than the prior close, bypassing stop-loss orders.
- Currency risk: If your account currency differs from the index currency, exchange rate movements will affect your P&L.

## WHAT ARE THE COSTS?

Costs reduce the return on your investment. The table below shows the costs and their impact on a **900 EUR margin deposit** held for the 1-week RHP.

Cost	One-off	Ongoing (annual)	Incidental
<b>Spread (bid-ask)</b>	None	Variable; built into quoted price. Typical index spread: 0.5–2 pts.	N/A
<b>Overnight swap</b>	None	Applied daily to open positions.	N/A
<b>Inactivity fee</b>	None	Charged monthly after 6 consecutive months of no trading activity.	N/A
<b>Deposit / Withdrawal</b>	None	No standard fee charged by the Company.	N/A

The spread is the primary ongoing cost and is incorporated into the quoted price. There are no separate commissions. Swap rates vary by instrument and are disclosed in the trading platform and on the Company website. Past cost levels are not indicative of future costs.

**Worked example (spread cost):** Germany 40 (DAX) typical spread 1 pt = 1 EUR. On an 18,000 EUR notional position: estimated round-trip spread cost = 2.00 EUR (0.01% of notional). Actual costs depend on market conditions at time of trading.

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

**Recommended Holding Period (RHP): 1 week (5 trading days).** CFDs have no fixed maturity. You can open and close positions at any time during market hours — there is no minimum holding period and no exit penalty. This RHP is used for illustration in the performance scenarios above. Overnight positions attract daily swap charges, which increase with the holding duration.

#### **WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY OUT?**

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ABF Trade EU Limited is a member of the Investor Compensation Fund (ICF) for Clients of Cyprus Investment Firms. If the Company cannot meet its obligations, eligible retail clients may receive compensation of up to **EUR 20,000**. See the Company's ICF Notice at [www.abftrade.com/eu](http://www.abftrade.com/eu).

#### **HOW CAN I COMPLAIN?**

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Email: [complaints@abftrade.com](mailto:complaints@abftrade.com) · Address: 162 Fragklinou Rousvelt, 1st & 2nd Floors, Limassol 3045, Cyprus · Acknowledgement within 5 business days; full response within 30 calendar days. Escalation: Financial Ombudsman ([www.financialombudsman.gov.cy](http://www.financialombudsman.gov.cy)) or CySEC ([www.cysec.gov.cy](http://www.cysec.gov.cy)).

#### **OTHER RELEVANT INFORMATION**

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Additional information, including the Company's policies, fee schedule and this document in other languages, is available at [www.abftrade.com/eu](http://www.abftrade.com/eu) or by emailing [support@abftrade.com](mailto:support@abftrade.com). This document complies with PRIIPs Regulation (EU) No 1286/2014 and Commission Delegated Regulation (EU) 2017/653 as amended.