

# Key Information Document – ETD Futures traded on Moscow Exchange’s Derivatives Market (MOEX FORTS)

## 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

**Product Name** Exchange Traded Derivative - Futures Contract.

**Product Manufacturer** Exchange venue specific to the option traded - Moscow Exchange.

**Website** Contact details specific to the exchange venue - <https://www.moex.com/>.

**Further information** You can find more information about Renesource Capital and our products on our corporate [website](#). You are welcomed to contact us on +371 67 092 737 for more information.

## Alert

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

## What is this product?

### Type

Exchange Traded Derivative ("ETD") - Futures Contracts traded on Moscow Exchange's Derivatives Market (MOEX FORTS).

### Objectives

An ETD Futures contract is an exchange listed instrument that obligates the buyer to purchase an asset (or the seller to sell an asset) at a specified future date and price. Contract settlement may be physical or in cash. The contract gives exposure to the underlying asset. A long position benefits from rising underlying price. A short position benefits from falling underlying price. A future is an agreement between a buyer (long position) and a seller (short position) to trade a certain underlying asset at a certain time in the future for a certain price. Futures contracts are offered for trading on margin, which is an amount of money that must be deposited when a futures position is opened, and is also referred to as initial margin - a minimum level set by the Exchange’s clearing house, clearing firm or broker. Renesource Capital may close your position without seeking your prior consent if you do not maintain sufficient margin in your account, however Renesource Capital is under no obligation to do this.

### Intended Retail Investor

This product is intended for investors, who are looking for directional trading, hedging, arbitrage. This is a leveraged product with high chance of 100% loss for long positions and unlimited losses for short positions, which requires a degree of knowledge and experience. Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who:

- have a high-risk tolerance;
- hedge underlying asset position;
- are trading with money they can afford to lose;
- have experience with, and are comfortable trading on, financial markets and, separately, understand the impact of and risks associated with margin trading; and
- want to generally gain short term exposures to financial instruments/markets, and have a diversified investment and savings portfolio.

### Not suitable for the following investors

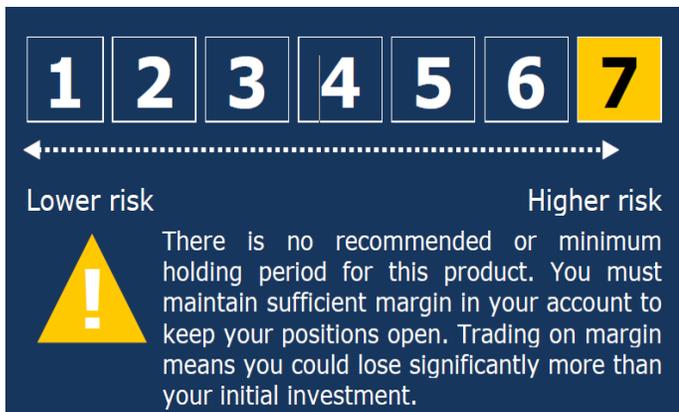
- Investors/ Clients who do not have sufficient knowledge, experience and understanding of risk management basics in margin trading;
- Investors/ Clients who do not want to be subjected to volatile markets;
- Investors/ Clients who do not have sufficient income/ savings therefore cannot afford to lose capital;
- Investors/ Clients who want capital protection

### Term

ETD Futures do not have minimum holding period, but may have expiration date. You decide when to open your position but position may be closed on or prior to last trading day of the contract. Renesource Capital may close your position without seeking your prior consent if you do not maintain sufficient margin in your account, however Renesource Capital is under no obligation to do this.

## 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 this product as 7 out of 7, which is the highest risk class. This is because there is a very high chance that you could lose more than your initial investment.

Trading result will depend on the exchange rate between your financial instrument account base currency and ETD Futures currency (currency risk). This risk is not considered in the indicator shown above.

If your positions are leveraged, values may fluctuate significantly in times of high volatility or market/ economic uncertainty, as a result, margin calls may be made quickly or frequently. In the event of default, Renesource Capital shall seek to immediately terminate, cancel and close-out all of part of any outstanding positions. If you are not a hedger,

ETD Futures product does not include any protection from future market performance so you could lose some or all of your investment **In some circumstances you may be required to make further payments to pay for losses. The total loss you may incur may significantly exceed the amount invested.**

If Product Manufacturer is not able to pay you what is owed (cover its liabilities), you could lose your entire investment (counterparty risk).

### Performance Scenarios

ETD Futures **Long position** - assuming a futures long position holds **that you think the underlying price will increase**. The table below illustrates the money you could get back under different scenarios. The scenarios assume **you choose to buy 10 Futures contract** relating to an underlying asset Brent Future. For example, Brent Future is currently trading around \$40. Assuming the price at which you buy is 41 you will have a notional exposure to the underlying asset of RUB 317,750 (10cntr\*10 x Brent price\*USD/RUB rate (77.50)). You will have to deposit RUB 82 000 as margin, which is 25% of your notional exposure. It is assumed you deposit USD 1 200 to begin trading. Trading fee is 1.5 RUB per contract, 15 RUB for position opening and 15 RUB for position closing, total 30 RUB.

#### Notional exposure of RUB 317,750 | Investment amount USD 1,200 | Margin 25%

Scenarios	What you will lose or gain <b>after costs</b>		Percentage return
	RUB	USD	
<b>Stress scenario:</b> The price <b>falls</b> by 10 USD and we close you out at 31, USD/RUB rate is the same (77.50)	-77 530	-1 000	-83.33%
<b>Unfavorable scenario:</b> The price <b>falls</b> by 5 USD and you exit the position at 36, USD/RUB rate is the same (77.50)	-38 780	-500	-41.66%
<b>Moderate scenario:</b> The price does not change and you exit the position at 41, USD/RUB rate is the same (77.50)	-30	-0.40	-0.03%
<b>Favorable scenario:</b> The price <b>increases</b> by 4 USD and you exit the position (sell trade) at 45, USD/RUB rate is the same	30 970	400	33.33%

The table presented gives a range of possible outcomes and is not an exact indication of what you might get back. What you get will vary depending on how the underlying will develop and on contract parameters. Currency rates (USD/RUB and EUR/RUB) affects to your result too. Leverage can significantly magnify your gains and losses, you could, therefore, lose more than your entire investment.

ETD Futures **Short position** - assuming a futures short position holds **that you think the underlying price will decrease**. The table below illustrates how your investment could perform under different scenarios. You can compare it with other derivatives. The scenarios assume **you choose to sell 10 Futures contract** relating to an underlying asset, Brent Future. For example, Brent Future is currently trading around \$40. Assuming the price at which you sell is 41 you will have a notional exposure to the underlying asset of RUB 317,750 (10cntr\*10 x Brent price\*USD/RUB rate (77.50)). You will have to deposit RUB 82 000 as margin, which is 25% of your notional exposure for this type of underlying instrument. It is assumed you deposit USD 1 200 into your account to begin trading. Trading fee is 1.5 RUB per contract, 15 RUB for position opening and 15 RUB for position closing, total 30 RUB

**Notional exposure of RUB 317,750 | Investment amount USD 1,200 | Margin 25%**

Scenarios	What you will lose or gain <b>after costs</b>		Percentage return
	RUB	USD	
<b>Stress scenario:</b> The price <b>increases</b> by 10 USD and we close you out at 51, USD/RUB rate is the same	-77 530	-1 000	-83.33%
<b>Unfavorable scenario:</b> The price <b>increases</b> by 5 USD and you exit the position at 46, USD/RUB rate is the same	-38 780	-500	-41.66%
<b>Moderate scenario:</b> The price does not change and you exit the position at 41, USD/RUB rate is the same	-30	-0.40	-0.03%
<b>Favorable scenario:</b> The price <b>falls</b> by 4 USD and you exit the position (buy trade) at 37, USD/RUB rate is the same	30 970	400	33.33%

The table presented gives a range of possible outcomes and is not an exact indication of what you might get back. What you get will vary depending on how the underlying will develop and on contract parameters. Currency rates (USD/RUB and EUR/RUB) affects to your result too. Leverage can significantly magnify your gains and losses, you could, therefore, lose more than your entire investment.

## What happens if Product Manufacturer is unable to pay out?

The Product Manufacturer is the Moscow Exchange. This is a client's risk. If Product Manufacturer or Counterparty is unable to meet its financial obligations, this could cause you to lose the value of any ETD contract you have with Renesource Capital. Should the segregation fail, Renesource will claim funds return from Manufacturer/Counterparty, but it does not guarantee positive outcome.

## What are the costs?

Information below illustrates the different types of costs involved when you trade ETD Futures:

<i>One-off costs</i>	
<b>Trading fee</b>	From 1.50 RUB + exchange, regulatory, clearing and settlement fees. For clearing and settlement check the fees with the exchange and clearing house.
<b>Exercise fee</b>	From 0.00 RUB + exchange, regulatory, clearing and settlement fees to significant amounts (depending on the underlying) – for example, warehousing, delivery, storage costs for deliverable ETD Futures on commodities.
<b>Currency conversion</b>	A currency conversion rate is charged if dealing in a currency other than your account currency.
<i>Other costs</i>	
<b>Trading infrastructure fee</b>	Varies. Starts from 0.00 RUB when placing orders via phone (phone call). Platform fee – 0.00 RUB to 300 RUB per month. Market data fee – 0.00 RUB per month
<b>Account Maintenance fee</b>	Fees for deposit and withdrawal to/from Financial Instrument account. Please refer to our corporate website for <a href="#">detailed fee schedule</a>

Before you begin to trade ETD Options, you should familiarize yourself with all charges, fees and other commissions for which you will be liable. These charges will reduce your net profit or income and increase your losses.

## How long should I hold it and can I take money out early?

This product generally has no fixed term and will expire when you choose to exit the product or in the event you do not have available margin. You should monitor the product to determine when the appropriate time is to exit. Expiration date is given in contract specification. You can exit the positions prior to expiration. You can close your contract/position at any time. Customers can roll forward their exposure in a future (at or before maturity) to match their investment horizon. To roll a future means to extend its maturity by closing the initial contract and opening a new contract with the same underlying.

## How can I complain?

If you as a client or a prospective client of Renesource Capital have raised a question or an issue with Renesource Capital for example with your account manager or another employee of Renesource Capital without receiving a satisfactory answer you may file a complaint with Renesource Capital as per below.

Attn: Complaints, Renesource Capital AS IBS, 15A Dunties street, Riga, Latvia, LV – 1005 or by e-mail to: [complaints@renesource.com](mailto:complaints@renesource.com)

If you are not satisfied with the response to your complaint, you may file a complaint directly with the Latvian Financial and Capital market commission, Kungu street 1, Riga, Latvia, LV-1050 or by e-mail: [fktk@fktk.lv](mailto:fktk@fktk.lv), [www.fktk.lv](http://www.fktk.lv)

## Other Relevant Information

Please refer to our corporate website for any other information