VARIANSE

ELECTRONIC TRADING. **ELEVATED**

VARIANSE | ELECTRONIC TRADING**. ELEVATED** **Key Information Document**

Key Information Document – CFDs on FX

Purpose

This document provides you (the "Client") 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: Contracts for Difference (CFDs) on Foreign Exchange (FX)

Provider: VARIANSE a trading name of VDX Limited ("VARIANSE", "VDX", "the Company", "the Firm", "we", "us", or "our") is a company registered in England and Wales under company number 11050659 and is authorised and regulated by the Financial Conduct Authority ("FCA") in the UK under firm reference number 802012. For more information please visit the Company's website at http://varianse.com or call us at +44 203 865 3329.

Date of production: 18/03/2021

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

What is this product?

Type

The product is CFDs on FX. The most common form of trading is FX, otherwise known as forex trading. This is the act of buying one currency while selling another at the same time. Currencies are traded in pairs and these pairs fall under three categories; Majors, Minors and Exotics.

Objectives

CFDs are derivative financial instruments. A CFD is an agreement between two counterparties to exchange the price difference of a specific underlying instrument for the time period the deal was opened.

CFDs are leveraged products and are traded not on an exchange basis but Over-The-Counter (OTC) and there is no central clearing of the transactions. VARIANSE is offering CFDs on a Matched Principal execution basis. CFDs on FX, have different underlying currency pairs.

<u>Major Currency Pairs</u>

The Majors are the most popular currency pairs, formed from such currencies as USD, EUR, GBP, CHF, JPY, AUD, CAD and NZD. They are most liquid trading instruments, which means traders will find the lowest spreads when trading these pairs. Examples include EUR/USD, GBP/USD, USD/JPY and AUD/USD.

<u>Minor Currency Pairs</u>

The Minors are pairs which mostly consist of crosses of the majors. They are less liquid than majors but are quite popular amongst traders. Examples include EUR/JPY, NZD/JPY, GBP/JPY and EUR/GBP.

<u>Exotic Currency Pairs</u>

The Exotic pairs are not as widely traded as the Majors and Minors as they are less liquid, making the cost of trading them higher. These currency pairs usually consist of one major currency, and a currency from a developing economy. Examples include EUR/TRY, USD/TRY, USD/MXN and USD/ZAR.

Currency groups may differ between brokers.

A CFD is a speculative instrument and while trading CFDs with different underlying assets, the trader does not become the owner of this asset. CFD pricing reflects the pricing of the underlying assets received by the Liquidity Providers. Long position means buying the instrument with the expectation for its value to rise. Short position suggests selling the asset expecting its value to decrease.

CFDs are speculative products which are traded with leverage and are not appropriate for all investors. CFDs, are leveraged products where most of them mature when you choose to close an existing open position. Positions may also be closed due to margin calls/ stop outs. Information on margin calls/ stop out per account can be accessed on the Company's website.

Moreover, in case where the Company intends to remove the availability of a CFD, it shall inform you (i.e. the Client) in order to close any open positions until a specific deadline. If the Client does not close the position by the said deadline, the Company has the right to close any open positions on his behalf. By investing in CFDs, you assume a high level of risk which can result in the loss of all of your invested capital.

Trading in CFDs carries high level of risk and thus can generate great profits as well as great losses. You should never invest more that you are willing to lose, as it is possible to lose your initial investment. Unless a Client knows and fully understands the risks involved in CFD trading, they should not engage in any trading activity. Clients should consider whether CFDs are appropriate for them according to their financial status and goals before trading. If you do not have enough knowledge and experience to trade, we suggest you seek independent advice before you invest. If you still don't understand these risks after consulting an independent financial advisor, then they should refrain from trading at all. Trading in CFDs comes with a significant risk of losses and the investment value can both increase and decrease. CFDs require constant monitoring and may not be appropriate for persons who cannot devote time in this respect.

Prior to commencing trading in CFDs it is prudent to consult with this KID and evaluate whether trading in CFDs in appropriate for you.

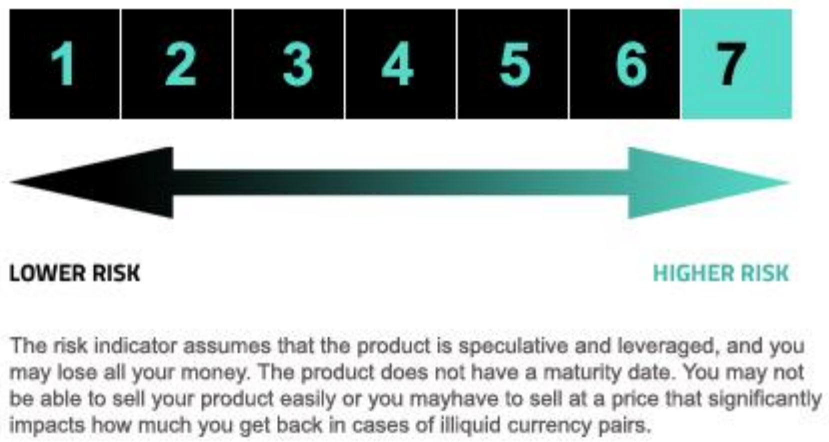
Intended Retail Investor

CFDs are available for Clients that their objectives and needs will be to increase wealth/ capital, hedge their business foreign exchange risk and speculation over the short, medium or long-term investment horizon. Clients should have a medium to high-risk tolerance and ability to lose of 100% of their capital. The Clients should be willing to accept margined price fluctuations in exchange for the opportunity of higher returns. Moreover, the Clients should be willing to accept concentration risk with the exchange for the opportunity of higher returns.

Clients that are risk intolerant should not invest in the respective target market as these instruments are risky and bear significant amount of risk.

It should be noted that all Retail Clients that are on-boarded are offered a default leverage level of 1:30. Professional Clients may increase the leverage level if they wish, based on their Knowledge and Experience.

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



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 classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level. Be aware of currency risk. You may receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. For example, maintaining a trading account in Euros and trading in CFDs that are not priced in Euros are subject to foreign exchange risks and may be affected in fluctuations of the underlying currencies. This risk is not considered in the indicator above.

In some circumstances you may need to make additional payments to compensate for losses (i.e. margin payments). The total loss you may incur may exceed your invested amount.

Additional risks that are involved in trading CFDs in FX are as follows:

a. Over-the Counter (OTC) transactions risk: Transactions in off-exchange derivatives (OTC) may involve greater risk than investing on exchange because there is no exchange market on which to close out an Open Position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk.

b. Margin: Margin is the amount the Client requires to possess to enter into CFD position. If there is a significant drop in the value of the investment in question, the Client must either deposit more funds or close part of the investment he has made.

c. Trading risk: If the underlying instrument movement is in the Client's favour, the Client may achieve a good profit, but an equally small adverse market movement can not only result in a significant loss but may result in the loss of the Clients' entire deposit. The Client must not enter into CFDs unless he is ready to undertake the risks of losing entirely all the money which he has invested.

d. Volatility risk: CFDs and related markets can be highly volatile. The prices of CFDs and the underlying asset may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company. Under certain market conditions it may be impossible for a Client's order to be executed at the declared price leading to losses.

The above list of risks is non-exhaustive. For the Company's Risk Disclosure Policy please visit the Company's website.

This product does not include any protection from future market performance, so you could lose all of your investment. The Client could place Stop Loss to limit potential losses and Take Profit to collect profits to protect against market movements. However, you may benefit from the Financial Services Compensation Scheme (FSCS) (see the section 'what happens if we are unable to pay you').

This indicator shown above does not consider this protection.

Performance Scenarios

The performance scenarios represent general situations of changes in the prices of CFDs in FX and their impact on the return of the Client's investment in monetary and percentage terms. These scenarios are general and applicable to the range of currency pairs offered by the Company.

Favourable scenario

The favourable scenario is a situation where the direction of the market moves to the direction of the Clients order (e.g. in cases where the Client Buys (i.e. Longs) a contract in EUR/USD and the Euro is gaining in value, or in cases where the Client Sells (i.e. Shorts) a contract in EUR/USD and the Euro is losing in value. The upside potential cannot be disclosed as the profit of the Client will increase as long as the direction of the market moves with the direction of the Client's trade.

Moderate Scenario

The moderate scenario is the situation where the market remains close to the opening price of the contract (i.e. the deviations from the opening price are minimal/ insignificant)

Unfavourable scenario

The unfavourable scenario is a situation where the direction of the market moves against the direction of the Clients order (e.g. in cases where the Client Buys (i.e. Longs) a contract in EUR/USD and the Euro is losing in value, or in cases where the Client Sells (i.e. Shorts) a contract in EUR/USD and the Euro is increasing in value. The downside potential cannot be disclosed as the loss of the Client increase as long as the direction of the market moves against the direction of the Client's trade.

Stress scenario

This is the case where the market moves against the Client and the Client loses more than 40% of his invested capital. The example below involves Buying 1 lot of EUR/USD currency pair, (notional amount 100,000 Euro), using leverage of 30:1 and the Client deposited 10,000 Euros. Costs of execution are not included in this section but are presented in detailed in the Section '**What are the costs**'. Costs of execution must be taken into consideration when planning your trading activity. For contract specifications of each instrument offered by the Company please visit our website.

Scenario	**Open Price**	**Close Price**	**Percentage change in equity**	**Profit/Loss (Euros)**
Favourable	1.18000	1.19000	10%	1000
Moderate	1.18000	1.18100	1%	100
Unfavourable	1.18000	1.17000	-10%	-1000
Stress	1.18000	1.14000	-40%	-4000

What financial protections are available?

VARIANSE is a member of the Financial Services Compensation Scheme (FSCS). An eligible claimant under the FCA Handbook Rules of COMP 4.2.1.R and COMP 4.2.2.R is under the protection of the FSCS. As a client of the Company you may benefit from the protection offered by the FSCS in the event that the Company becomes insolvent or ceases trading. Hence, you may be entitled to compensation from the scheme if it is not feasible for the Company to meet our obligations. This depends on the type of business and the circumstances of the claim.

The maximum compensation payable to each individual Client covered by the FSCS is £85,000 irrespective of the number of accounts held, currency and place of offering the investment service. Compensation is only paid to cover financial loss. Using the scheme does not cost you anything but to qualify for compensation you need to be eligible within the FSCS rules. A client who states in writing that he/she wishes to be treated as a professional client will be provided from the Company a clear written warning of the protection and investor compensation rights the client will lose.

Further information on the FSCS can be obtained from the FSCS website, www.fscs.org.uk or by calling the FSCS Helpline on (found on their website).

What are the costs?

The Company offers a set of accounts were transaction costs differ between them. Please visit our Account Comparison page for more information. The Company's cost consists of one-off costs and on-going costs as presented below:

One-off costs (Entry & Exit costs)	**Spread** Spread is the difference, usually indicated in pips, between the Bid and Ask price. The Spreads values vary for different accounts as well as depend on the instrument traded. The spread is floating; therefore, it may increase depending on the market conditions. Spread is a cost present both at entering and exiting a trade, and it applies to all the accounts.
	Commission Commission is charged on our ECN Pro Account and Prime Account. The commission is charged in the base currency of the Client account. For more information please visit the Company's website. The commission is charged for opening and closing a position, once the order is entered. The commission is calculated using the following formula: Lot x Commission (in account base currency) x 2 (charged twice, once for opening and once for closing a position) <u>Example, on a USD base currency account</u>: 100,000 (1 Lot) x $3.50 = $3.50 x 2 = $7.00
On-going costs	**Swaps** Swap is the fee for keeping the position opened over the night. The swap can be positive or negative depending on the instrument. Swap for the opened positions is calculated at 22:00:00 (GMT), Monday to Friday. In the spot market the settlement of a security or commodity is settled on the second working day after the deal. Therefore, when calculating the swap for any orders held from Wednesday to Thursday, the charge will be 3 times the normal size as it includes the fees for the weekend, while the value date will be Monday. If you leave a position open overnight, it will be rolled over (at a swap charge) to the next trading day. In this way it will maintain open spot status. Swap rates can be found in the Contract Specifications on the trading platform.
	Please see our swap calculation formula below Swap value = Point value x Number of lots x Swap rate x Number of nights Swap values are provided in points and are reflected at the Contracts Specifications. <u>Example:</u> $10 (point value for 1 lot of GBP/USD) x 4 (number of lots) x -0.45 (long GBP/USD) x 4 (number of nights*) = -$72 *position opened on Tuesday and closed on Thursday (triple swap is charged from Wednesday to Thursday night as it includes the charge for the weekend).

How can I complain?

In case a Client is dissatisfied by the services provided by the Company, must address any complaints to the Company's Compliance Department in writing and submit to the Company via the following methods:

a. By email: service@varianse.com

b. By post or in person at the Company's Headquarters at 20 North Audley Street, Mayfair, London, W1K 6LX, United Kingdom.

In case the final decision does not satisfy the complainant's demands, the latter may maintain the complaint through the Financial Ombudsman, the FCA or the relevant courts. Further information about the procedures for communicating with the Financial Ombudsman, can be found at http://www.financialombudsman.org.uk. and address their complaints at Financial Ombudsman Service, Exchange Tower, London E14 9SR, telephone: (found on their website), email: Complaint.info@financial-ombudsman.org.uk. For more information please visit the Company's website to view the Complaints or Grievances Policy.

Other relevant information

Clients must read, understand, and acknowledge the Account Opening Agreements prior to on-boarding. These documents can be accessed at the Company's website.

Key Information Document – CFDs on Metals

Purpose

This document provides you (the “Client”) 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: Contracts for Difference (CFDs) on Metals.

Provider: VARIANSE a trading name of VDX Limited (“VARIANSE”, “VDX”, “the Company”, “the Firm”, “we”, “us”, or “our”) is a company registered in England and Wales under company number 11050659 and is authorised and regulated by the Financial Conduct Authority (“FCA”) in the UK under firm reference number 802012. For more information please visit the Company’s website at http://varianse.com or call us at +44 203 865 3329.

Date of production: 18/03/2021

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

What is this product?

Type

The product is CFDs on spot metals. The Clients can choose to trade CFDs on spot metals such as gold and silver. CFDs on metals are over the counter products which reflect the price of the underlying spot metals. Spread may vary depending on the market conditions. CFDs on spot metals are provided with a leverage.

Objectives

CFDs are derivative financial instruments. A CFD is an agreement between two counterparties to exchange the price difference of a specific underlying instrument for the time period the deal was opened.

CFDs are leveraged products and are traded not on an exchange basis but Over-The-Counter (OTC) and there is no central clearing of the transactions. VARIANSE is offering CFDs on a Matched Principal execution basis. CFDs on Spot Metals, have different underlying currency pairs (i.e. XAGEUR, XAGUSD, XAUEUR, XAUGBP, XAUUSD).

A CFD is a speculative instrument and while trading CFDs with different underlying assets, the trader does not become the owner of this asset. CFD pricing reflects the pricing of the underlying assets received by the Liquidity Providers. Long position means buying the instrument with the expectation for its value to rise. Short position suggests selling the asset expecting its value to decrease.

CFDs are speculative products which are traded with leverage and are not appropriate for all investors. CFDs, are leveraged products where most of them mature when you choose to close an existing open position. Positions may also be closed due to margin calls/ stop outs. Information on margin calls/ stop out per account can be accessed on the Company’s website. Moreover, in case where the Company intends to remove the availability of a CFD, it shall inform you (i.e. the Client) in order to close any open positions until a specific deadline. If the Client does not close the position by the said deadline, the Company has the right to close any open positions on his behalf. By investing in CFDs, you assume a high level of risk which can result in the loss of all of your invested capital.

Trading in CFDs carries high level of risk and thus can generate great profits as well as great losses. You should never invest more that you are willing to lose, as it is possible to lose your initial investment. Unless a Client knows and fully understands the risks involved in CFD trading, they should not engage in any trading activity. Clients should consider whether CFDs are appropriate for them according to their financial status and goals before trading. If you do not have enough knowledge and experience to trade, we suggest you seek independent advice before you invest. If you still don't understand these risks after consulting an independent financial advisor, then they should refrain from trading at all. Trading in CFDs comes with a significant risk of losses and the investment value can both increase and decrease. CFDs require constant monitoring and may not be appropriate for persons who cannot devote time in this respect.

Prior to commencing trading in CFDs it is prudent to consult with this KID and evaluate whether trading in CFDs in appropriate for you.

Intended Retail Investor

CFDs are available for Clients that their objectives and needs will be to increase wealth/ capital, hedge their business foreign exchange risk and speculation over the short, medium or long-term investment horizon. Clients should have a medium to high-risk tolerance and ability to lose of 100% of their capital. The Clients should be willing to accept margined price fluctuations in exchange for the opportunity of higher returns. Moreover, the Clients should be willing to accept concentration risk with the exchange for the opportunity of higher returns.

Clients that are risk intolerant should not invest in the respective target market as these instruments are risky and bear significant amount of risk.

It should be noted that all Retail Clients that are on-boarded are offered a default leverage level of 1:30. Professional Clients may increase the leverage level if they wish, based on their Knowledge and Experience.

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

The risk indicator assumes that the product is speculative and leveraged, and you may lose all your money. The product does not have a maturity date. You may not be able to sell your product easily or you mayhave to sell at a price that significantly impacts how much you get back in cases of illiquid currency pairs.

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 classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level. Be aware of currency risk. You may receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. For example, maintaining a trading account in Euros and trading in CFDs that are not priced in Euros are subject to foreign exchange risks and may be affected in fluctuations of the underlying currencies. This risk is not considered in the indicator above.

In some circumstances you may need to make additional payments to compensate for losses (i.e. margin payments). The total loss you may incur may exceed your invested amount.

Additional risks that are involved in trading CFDs on Spot Metals are as follows:

a. Over-the Counter (OTC) transactions risk: Transactions in off-exchange derivatives (OTC) may involve greater risk than investing on exchange because there is no exchange market on which to close out an Open Position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk.

b. Margin: Margin is the amount the Client requires to possess to enter into CFD position. If there is a significant drop in the value of the investment in question, the Client must either deposit more funds or close part of the investment he has made.

c. Trading risk: If the underlying instrument movement is in the Client's favour, the Client may achieve a good profit, but an equally small adverse market movement can not only result in a significant loss but may result in the loss of the Clients' entire deposit. The Client must not enter into CFDs unless he is ready to undertake the risks of losing entirely all the money which he has invested.

d. Volatility risk: CFDs and related markets can be highly volatile. The prices of CFDs and the underlying asset may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company. Under certain market conditions it may be impossible for a Client's order to be executed at the declared price leading to losses.

The above list of risks is non-exhaustive. For the Company's Risk Disclosure Policy please visit the Company's website.

This product does not include any protection from future market performance, so you could lose all of your investment. The Client could place Stop Loss to limit potential losses and Take Profit to collect profits to protect against market movements. However, you may benefit from the Financial Services Compensation Scheme (FSCS) (see the section 'what happens if we are unable to pay you').

This indicator shown above does not consider this protection.

Performance Scenarios

The performance scenarios represent general situations of changes in the prices of CFDs on Spot Metals and their impact on the return of the Client's investment in monetary and percentage terms. These scenarios are general and applicable to the range of currency pairs offered by the Company.

Favourable scenario

The favourable scenario is a situation where the direction of the market moves to the direction of the Clients order (e.g. in cases where the Client Buys (i.e. Longs) a contract in XAUUSD (i.e. gold against US Dollars) and gold is gaining in value, or in cases where the Client Sells (i.e. Shorts) a contract in XAUUSD and gold is losing in value. The upside potential cannot be disclosed as the profit of the Client will increase as long as the direction of the market moves with the direction of the Client's trade.

Moderate Scenario

The moderate scenario is the situation where the market remains close to the opening price of the contract (i.e. the deviations from the opening price are minimal/ insignificant)

Unfavourable scenario

The unfavourable scenario is a situation where the direction of the market moves against the direction of the Clients order (e.g. in cases where the Client Buys (i.e. Longs) a contract in XAUUSD and the gold is losing in value, or in cases where the Client Sells (i.e. Shorts) a contract in XAUUSD and the gold is increasing in value. The downside potential cannot be disclosed as the loss of the Client increase as long as the direction of the market moves against the direction of the Client's trade.

Stress scenario

This is the case where the market moves against the Client and the Client loses more than 40% of his invested capital. The example below involves Buying 1 lot of XAUUSD, (notional amount 125,000 USD at a price of 1,250 USD), using leverage of 20:1 and the Client deposited 100,000 USD. Costs of execution are not included in this section but are presented in detailed in the Section '**What are the costs**'. Costs of execution must be taken into consideration when planning your trading activity. For contract specifications of each instrument offered by the Company please visit our website.

Scenario	**Open Price (USD)**	**Close Price (USD)**	**Percentage change in equity**	**Profit/Loss (USD)**
Favourable	1250	1350	10%	10000
Moderate	1250	1260	1%	1000
Unfavourable	1250	1150	-10%	-10000
Stress	1250	850	-40%	-40000

What financial protections are available?

VARIANSE is a member of the Financial Services Compensation Scheme (FSCS). An eligible claimant under the FCA Handbook Rules of COMP 4.2.1.R and COMP 4.2.2.R is under the protection of the FSCS. As a client of the Company you may benefit from the protection offered by the FSCS in the event that the Company becomes insolvent or ceases trading. Hence, you may be entitled to compensation from the scheme if it is not feasible for the Company to meet our obligations. This depends on the type of business and the circumstances of the claim.

The maximum compensation payable to each individual Client covered by the FSCS is £85,000 irrespective of the number of accounts held, currency and place of offering the investment service. Compensation is only paid to cover financial loss. Using the scheme does not cost you anything but to qualify for compensation you need to be eligible within the FSCS rules. A client who states in writing that he/she wishes to be treated as a professional client will be provided from the Company a clear written warning of the protection and investor compensation rights the client will lose.

Further information on the FSCS can be obtained from the FSCS website, www.fscs.org.uk or by calling the FSCS Helpline on (found on their website).

What are the costs?

The Company offers a set of accounts were transaction costs differ between them. Please visit our Account Comparison page for more information. The Company's cost consists of one-off costs and on-going costs as presented below:

One-off costs (Entry & Exit costs)	**Spread** Spread is the difference, usually indicated in pips, between the Bid and Ask price. The Spreads values vary for different accounts as well as depend on the instrument traded. The spread is floating; therefore, it may increase depending on the market conditions. Spread is a cost present both at entering and exiting a trade, and it applies to all the accounts.
	Commission

	Commission is charged on our ECN Pro Account and Prime Account. The commission is charged in the base currency of the Client account. For more information please visit the Company's website. The commission is charged for opening and closing a position, once the order is entered. The commission is calculated using the following formula: Lot x Commission (in account base currency) x 2 (charged twice, once for opening and once for closing a position) Example, on a USD base currency account: 100 oz of XAUUSD (1 Lot) x $3.50 = $3.50 x 2 = $7.00
On-going costs	**Swaps** Swap is the fee for keeping the position opened over the night. The swap can be positive or negative depending on the instrument. Swap for the opened positions is calculated at 22:00:00 (GMT), Monday to Friday. In the spot market the settlement of a security or commodity is settled on the second working day after the deal. Therefore, when calculating the swap for any orders held from Wednesday to Thursday, the charge will be 3 times the normal size as it includes the fees for the weekend, while the value date will be Monday. If you leave a position open overnight, it will be rolled over (at a swap charge) to the next trading day. In this way it will maintain open spot status. Swap rates can be found in the Contract Specifications on the trading platform.
	Please see our swap calculation formula below Swap value = Point value x Number of lots x Swap rate x Number of nights Swap values are provided in points and are reflected at the Contracts Specifications. Example: $1 (point value for 1 lot of XAU/USD) x 1 (number of lots) x -7.40 (long XAU/USD) x 4 (number of nights*) = -$29.60 *position opened on Tuesday and closed on Thursday (triple swap is charged from Wednesday to Thursday night as it includes the charge for the weekend).

How can I complain?

In case a Client is dissatisfied by the services provided by the Company, must address any complaints to the Company's Compliance Department in writing and submit to the Company via the following methods:

a. By email: service@varianse.com

b. By post or in person at the Company's Headquarters at 20 North Audley Street, Mayfair, London, W1K 6LX, United Kingdom.

In case the final decision does not satisfy the complainant's demands, the latter may maintain the complaint through the Financial Ombudsman, the FCA or the relevant courts. Further information about the procedures for communicating with the Financial Ombudsman, can be found at http://www.financialombudsman.org.uk. and address their complaints at Financial Ombudsman Service, Exchange Tower, London E14 9SR, telephone: (found on their website), email: Complaint.info@financial-ombudsman.org.uk. For more information please visit the Company's website to view the Complaints or Grievances Policy.

Other relevant information

Clients must read, understand, and acknowledge the Account Opening Agreements prior to on-boarding. These documents can be accessed at the Company's website.

VARIANSE | ELECTRONIC TRADING**. ELEVATED** **Key Information Document**

Key Information Document – CFDs on Stock Indices

Purpose

This document provides you (the "Client") 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: Contracts for Difference (CFDs) on Stock Indices.

Provider: VARIANSE a trading name of VDX Limited ("VARIANSE", "VDX", "the Company", "the Firm", "we", "us", or "our") is a company registered in England and Wales under company number 11050659 and is authorised and regulated by the Financial Conduct Authority ("FCA") in the UK under firm reference number 802012. For more information please visit the Company's website at http://varianse.com or call us at +44 203 865 3329.

Date of production: 01/11/2020

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

What is this product?

Type

The product is CFDs on Stock Indices. Stock Index measures a stock market section value. CFDs on Indices are over-the counter products which reflect the price of the underlying indices. Spread may vary depending on the market conditions. Margin required to open the position is fixed for each CFD on index.

Objectives

CFDs are derivative financial instruments. A CFD is an agreement between two counterparties to exchange the price difference of a specific underlying instrument for the time period the deal was opened.

CFDs are leveraged products and are traded not on an exchange basis but Over-The-Counter (OTC) and there is no central clearing of the transactions. VARIANSE is offering CFDs on a Matched Principal execution basis. CFDs on Stock Indices, have different underlying indices (e.g. Wall Street 30, UK 100, Europe 50, Spain 35, US SPX 500, US Tech 100, Japan 225, Hong Kong 50, Germany 30, France 40, Australia 200).

A CFD is a speculative instrument and while trading CFDs with different underlying assets, the trader does not become the owner of this asset. CFD pricing reflects the pricing of the underlying assets received by the Liquidity Providers. Long position means buying the instrument with the expectation for its value to rise. Short position suggests selling the asset expecting its value to decrease.

CFDs are speculative products which are traded with leverage and are not appropriate for all investors. CFDs, are leveraged products where most of them mature when you choose to close an existing open position. Positions may also be closed due to margin calls/ stop outs. Information on margin calls/ stop out per account can be accessed on the Company's website. Moreover, in case where the Company intends to remove the availability of a CFD, it shall inform you (i.e. the Client) in order to close any open positions until a specific deadline. If the Client does not close the position by the said deadline, the Company has the right to close any open positions on his behalf. By investing in CFDs, you assume a high level of risk which can result in the loss of all of your invested capital.

Trading in CFDs carries high level of risk and thus can generate great profits as well as great losses. You should never invest more that you are willing to lose, as it is possible to lose your initial investment. Unless a Client knows and fully understands the risks involved in CFD trading, they should not engage in any trading activity. Clients should consider whether CFDs are appropriate for them according to their financial status and goals before trading. If you do not have enough knowledge and experience to trade, we suggest you seek independent advice before you invest. If you still don’t understand these risks after consulting an independent financial advisor, then they should refrain from trading at all. Trading in CFDs comes with a significant risk of losses and the investment value can both increase and decrease. CFDs require constant monitoring and may not be appropriate for persons who cannot devote time in this respect.

Prior to commencing trading in CFDs it is prudent to consult with this KID and evaluate whether trading in CFDs in appropriate for you.

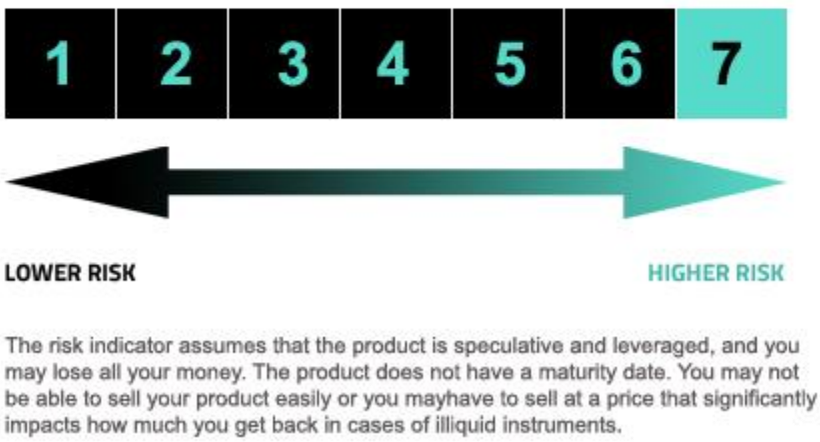
Intended Retail Investor

CFDs are available for Clients that their objectives and needs will be to increase wealth/ capital, hedge their business foreign exchange risk and speculation over the short, medium or long-term investment horizon. Clients should have a medium to high-risk tolerance and ability to lose of 100% of their capital. The Clients should be willing to accept margined price fluctuations in exchange for the opportunity of higher returns. Moreover, the Clients should be willing to accept concentration risk with the exchange for the opportunity of higher returns.

Clients that are risk intolerant should not invest in the respective target market as these instruments are risky and bear significant amount of risk.

It should be noted that all Retail Clients that are on-boarded are offered a default leverage level of 1:30. Professional Clients may increase the leverage level if they wish, based on their Knowledge and Experience.

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



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 classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level. Be aware of currency risk. You may receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. For example, maintaining a trading account in Euros and trading in CFDs that are not priced in Euros are subject to foreign exchange risks and may be affected in fluctuations of the underlying currencies. This risk is not considered in the indicator above.

In some circumstances you may need to make additional payments to compensate for losses (i.e. margin payments). The total loss you may incur may exceed your invested amount.

Additional risks that are involved in trading CFDs on Stock Indices are as follows:

a. Over-the Counter (OTC) transactions risk: Transactions in off-exchange derivatives (OTC) may involve greater risk than investing on exchange because there is no exchange market on which to close out an Open Position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk.

b. Margin: Margin is the amount the Client requires to possess to enter into CFD position. If there is a significant drop in the value of the investment in question, the Client must either deposit more funds or close part of the investment he has made.

c. Trading risk: If the underlying instrument movement is in the Client's favour, the Client may achieve a good profit, but an equally small adverse market movement can not only result in a significant loss but may result in the loss of the Clients' entire deposit. The Client must not enter into CFDs unless he is ready to undertake the risks of losing entirely all the money which he has invested.

d. Volatility risk: CFDs and related markets can be highly volatile. The prices of CFDs and the underlying asset may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company. Under certain market conditions it may be impossible for a Client's order to be executed at the declared price leading to losses.

The above list of risks is non-exhaustive. For the Company's Risk Disclosure Policy please visit the Company's website.

This product does not include any protection from future market performance, so you could lose all of your investment. The Client could place Stop Loss to limit potential losses and Take Profit to collect profits to protect against market movements. However, you may benefit from the Financial Services Compensation Scheme (FSCS) (see the section 'what happens if we are unable to pay you').

This indicator shown above does not consider this protection.

Performance Scenarios

The performance scenarios represent general situations of changes in the prices of CFDs on Stock Indices and their impact on the return of the Client's investment in monetary and percentage terms. These scenarios are general and applicable to the range of instruments offered by the Company.

Favourable scenario

The favourable scenario is a situation where the direction of the market moves to the direction of the Clients order (e.g. in cases where the Client Buys (i.e. Longs) a contract in Wall Street 30 is gaining in value, or in cases where the Client Sells (i.e. Shorts) a contract in Wall Street 30 is losing in value. The upside potential cannot be disclosed as the profit of the Client will increase as long as the direction of the market moves with the direction of the Client's trade.

Moderate Scenario

The moderate scenario is the situation where the market remains close to the opening price of the contract (i.e. the deviations from the opening price are minimal/ insignificant)

Unfavourable scenario

The unfavourable scenario is a situation where the direction of the market moves against the direction of the Clients order (e.g. in cases where the Client Buys (i.e. Longs) a contract in Wall Street 30 is losing in value, or in cases where the Client Sells (i.e. Shorts) a contract in Wall Street 30 is increasing in value. The downside potential cannot be disclosed as the loss of the Client increase as long as the direction of the market moves against the direction of the Client's trade.

Stress scenario

This is the case where the market moves against the Client and the Client loses more than 40% of his invested capital. The example below involves Buying 10 lots of UK100, (notional amount 74,800 Great British Pounds (GBP), using leverage of 1:20 and the Client deposited 12,000 GBP. Costs of execution are not included in this section but are presented in detailed in the Section '**What are the costs**'. Costs of execution must be taken into consideration when planning your trading activity. For contract specifications of each instrument offered by the Company please visit our website.

Scenario	**Open Price (GBP)**	**Close Price (GBP)**	**Percentage change in equity**	**Profit/Loss (GBP)**
Favourable	7480	7600	10%	1200
Moderate	7480	7492	1%	120
Unfavourable	7480	7360	-10%	-1200
Stress	7480	7000	-40%	-4800

What financial protections are available?

VARIANSE is a member of the Financial Services Compensation Scheme (FSCS). An eligible claimant under the FCA Handbook Rules of COMP 4.2.1.R and COMP 4.2.2.R is under the protection of the FSCS. As a client of the Company you may benefit from the protection offered by the FSCS in the event that the Company becomes insolvent or ceases trading. Hence, you may be entitled to compensation from the scheme if it is not feasible for the Company to meet our obligations. This depends on the type of business and the circumstances of the claim.

The maximum compensation payable to each individual Client covered by the FSCS is £85,000 irrespective of the number of accounts held, currency and place of offering the investment service. Compensation is only paid to cover financial loss. Using the scheme does not cost you anything but to qualify for compensation you need to be eligible within the FSCS rules. A client who states in writing that he/she wishes to be treated as a professional client will be provided from the Company a clear written warning of the protection and investor compensation rights the client will lose.

Further information on the FSCS can be obtained from the FSCS website, www.fscs.org.uk or by calling the FSCS Helpline on (found on their website).

What are the costs?

The Company offers a set of accounts were transaction costs differ between them. Please visit our Account Comparison page for more information. The Company's cost consists of one-off costs and on-going costs as presented below:

One-off costs (Entry & Exit costs)	**Spread** Spread is the difference, usually indicated in pips, between the Bid and Ask price. The Spreads values vary for different accounts as well as depend on the instrument traded. The spread is floating; therefore, it may increase depending on the market conditions. Spread is a cost present both at entering and exiting a trade, and it applies to all the accounts.
	Commission Commission is charged on our ECN Pro Account and Prime Account. The commission is charged in the base currency of the Client account. For more information please visit the

	Company's website. The commission is charged for opening and closing a position, once the order is entered. The commission is calculated using the following formula: Lot x Commission (in account base currency) x Contract Scale (Standard size or Mini size) x 2 (charged twice, once for opening and once for closing a position) <u>Example, on a USD base currency account</u>: 1 CFD Contract (1 Lot) x $0.50 x 1 (Standard size) = $0.50 x 2 = $1.00
On-going costs	**Financing Costs** Financing Cost is the fee for keeping the position opened over the night. The financing cost can be positive or negative depending on the instrument. Financing Cost for the opened positions is calculated at 21:59:59 – 22:00:00 (GMT), Monday to Friday. On Fridays, to account for holding a position into the weekend, financing costs are 3 times the normal size. If you leave a position open overnight, it will be rolled over (at a swap charge) to the next trading day. In this way it will maintain open spot status. Swap rates can be found in the Contract Specifications on the trading platform.
	Please see our Financing Cost calculation formula below Financing Cost = Notional Amount x Swap rate x Number of nights <u>Example:</u> $25,000 x -4% (swap long for US30) x 1 (number of nights*) = ($25,000 * 4%) / 360 = $2.78

How can I complain?

In case a Client is dissatisfied by the services provided by the Company, must address any complaints to the Company's Compliance Department in writing and submit to the Company via the following methods:

a. By email: service@varianse.com

b. By post or in person at the Company's Headquarters at 20 North Audley Street, Mayfair, London, W1K 6LX, United Kingdom.

In case the final decision does not satisfy the complainant's demands, the latter may maintain the complaint through the Financial Ombudsman, the FCA or the relevant courts. Further information about the procedures for communicating with the Financial Ombudsman, can be found at http://www.financialombudsman.org.uk. and address their complaints at Financial Ombudsman Service, Exchange Tower, London E14 9SR, telephone: (found on their website), email: Complaint.info@financial-ombudsman.org.uk. For more information please visit the Company's website to view the Complaints or Grievances Policy.

Other relevant information

Clients must read, understand, and acknowledge the Account Opening Agreements prior to on-boarding. These documents can be accessed at the Company's website.

VARIANSE | ELECTRONIC TRADING**. ELEVATED** **Key Information Document**

Key Information Document – CFDs on Shares

Purpose

This document provides you (the "Client") 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: Contracts for Difference (CFDs) on Shares

Provider: VARIANSE a trading name of VDX Limited ("VARIANSE", "VDX", "the Company", "the Firm", "we", "us", or "our") is a company registered in England and Wales under company number 11050659 and is authorised and regulated by the Financial Conduct Authority ("FCA") in the UK under firm reference number 802012. For more information please visit the Company's website at http://varianse.com or call us at +44 203 865 3329.

Date of production: 18/03/2021

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

What is this product?

Type

The product is CFDs on Shares. CFDs on Shares are over-the counter products which reflect the price of the underlying indices. Spread may vary depending on the market conditions. Margin required to open the position is fixed for each CFD on Shares.

Objectives

CFDs are derivative financial instruments. A CFD is an agreement between two counterparties to exchange the price difference of a specific underlying instrument for the time period the deal was opened.

CFDs are leveraged products and are traded not on an exchange basis but Over-The-Counter (OTC) and there is no central clearing of the transactions. VARIANSE is offering CFDs on a Matched Principal execution basis. CFDs on Shares are based on the price of one underlying Share (e.g. Amazon, apple, Facebook etc.).

A CFD is a speculative instrument and while trading CFDs with different underlying assets, the trader does not become the owner of this asset. CFD pricing reflects the pricing of the underlying assets received by the Liquidity Providers. Long position means buying the instrument with the expectation for its value to rise. Short position suggests selling the asset expecting its value to decrease.

CFDs are speculative products which are traded with leverage and are not appropriate for all investors. CFDs, are leveraged products where most of them mature when you choose to close an existing open position. Positions may also be closed due to margin calls/ stop outs. Information on margin calls/ stop out per account can be accessed on the Company's website. Moreover, in case where the Company intends to remove the availability of a CFD, it shall inform you (i.e. the Client) in order to close any open positions until a specific deadline. If the Client does not close the position by the said deadline, the Company has the right to close any open positions on his behalf. By investing in CFDs, you assume a high level of risk which can result in the loss of all of your invested capital.

Trading in CFDs carries high level of risk and thus can generate great profits as well as great losses. You should never invest more that you are willing to lose, as it is possible to lose your initial investment. Unless a Client knows and fully understands the risks involved in CFD trading, they should not engage in any trading activity. Clients should consider whether CFDs are appropriate for them according to their financial status and goals before trading. If you do not have enough knowledge and experience to trade, we suggest you seek independent advice before you invest. If you still don't understand these risks after consulting an independent financial advisor, then they should refrain from trading at all. Trading in CFDs comes with a significant risk of losses and the investment value can both increase and decrease. CFDs require constant monitoring and may not be appropriate for persons who cannot devote time in this respect.

Prior to commencing trading in CFDs it is prudent to consult with this KID and evaluate whether trading in CFDs in appropriate for you.

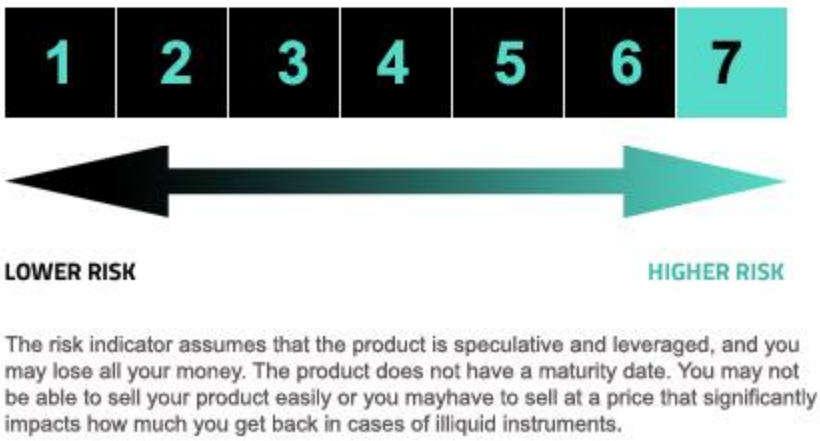
Intended Retail Investor

CFDs are available for Clients that their objectives and needs will be to increase wealth/ capital, hedge their business foreign exchange risk and speculation over the short, medium or long-term investment horizon. Clients should have a medium to high-risk tolerance and ability to lose of 100% of their capital. The Clients should be willing to accept margined price fluctuations in exchange for the opportunity of higher returns. Moreover, the Clients should be willing to accept concentration risk with the exchange for the opportunity of higher returns.

Clients that are risk intolerant should not invest in the respective target market as these instruments are risky and bear significant amount of risk.

It should be noted that all Retail Clients that are on-boarded are offered a default leverage level of 1:30. Professional Clients may increase the leverage level if they wish, based on their Knowledge and Experience.

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



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 classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level. Be aware of currency risk. You may receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. For example, maintaining a trading account in Euros and trading in CFDs that are not priced in Euros are subject to foreign exchange risks and may be affected in fluctuations of the underlying currencies. This risk is not considered in the indicator above.

In some circumstances you may need to make additional payments to compensate for losses (i.e. margin payments). The total loss you may incur may exceed your invested amount.

Additional risks that are involved in trading CFDs on Shares are as follows:

a. Over-the Counter (OTC) transactions risk: Transactions in off-exchange derivatives (OTC) may involve greater risk than investing on exchange because there is no exchange market on which to close out an Open Position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk.

b. Margin: Margin is the amount the Client requires to possess to enter into CFD position. If there is a significant drop in the value of the investment in question, the Client must either deposit more funds or close part of the investment he has made.

c. Trading risk: If the underlying instrument movement is in the Client's favour, the Client may achieve a good profit, but an equally small adverse market movement can not only result in a significant loss but may result in the loss of the Clients' entire deposit. The Client must not enter into CFDs unless he is ready to undertake the risks of losing entirely all the money which he has invested.

d. Volatility risk: CFDs and related markets can be highly volatile. The prices of CFDs and the underlying asset may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company. Under certain market conditions it may be impossible for a Client's order to be executed at the declared price leading to losses.

e. Shares specific risks:

CFDs on Shares can be generally affected by:

- A corporate action being applied on the underlying instrument. In such case, the Company reserves the right to perform any necessary adjustment to the value and/or the size of the position held on the CFD, aiming to neutralize the economic effect of the corporate action on the CFD price.
- Dividend distribution issued by the issuer of the underlying shares in a CFD – In such case cash adjustment, positive or negative depending on the direction of your trade, are applied in order to neutralize the economic effect that may affect the price of the underlying Share on the ex-dividend date.
- Delisting from the relevant exchange the underlying share is tradable. In such cases, the Company reserved the right to proceed to closure of your positions at the last official mid-price quoted on the underlying exchange.

The above list of risks is non-exhaustive. For the Company's Risk Disclosure Policy please visit the Company's website.

This product does not include any protection from future market performance, so you could lose all of your investment. The Client could place Stop Loss to limit potential losses and Take Profit to collect profits to protect against market movements. However, you may benefit from the Financial Services Compensation Scheme (FSCS) (see the section 'what happens if we are unable to pay you').

This indicator shown above does not consider this protection.

Performance Scenarios

The performance scenarios represent general situations of changes in the prices of CFDs on Shares and their impact on the return of the Client's investment in monetary and percentage terms. These scenarios are general and applicable to the range of instruments offered by the Company.

Favourable scenario

The favourable scenario is a situation where the direction of the market moves to the direction of the Clients order (e.g. in cases where the Client Buys (i.e. Longs) a contract in Facebook is gaining in value, or in cases where the Client Sells (i.e. Shorts) a contract in Facebook is losing in value. The upside potential cannot be disclosed as the profit of the Client will increase as long as the direction of the market moves with the direction of the Client's trade.

Moderate Scenario

The moderate scenario is the situation where the market remains close to the opening price of the contract (i.e. the deviations from the opening price are minimal/ insignificant)

Unfavourable scenario

The unfavourable scenario is a situation where the direction of the market moves against the direction of the Clients order (e.g. in cases where the Client Buys (i.e. Longs) a contract in Facebook is losing in value, or in cases where the Client Sells (i.e. Shorts) a contract in Facebook is increasing in value. The downside potential cannot be disclosed as the loss of the Client increase as long as the direction of the market moves against the direction of the Client's trade.

Stress scenario

This is the case where the market moves against the Client and the Client loses more than 40% of his invested capital. The example below involves Buying 100 contracts of Facebook, (notional amount 25,000 United States Dollars (USD), using leverage of 1:5 and the Client deposited 12,000 GBP. Costs of execution are not included in this section but are presented in detailed in the Section '**What are the costs**'. Costs of execution must be taken into consideration when planning your trading activity. For contract specifications of each instrument offered by the Company please visit our website.

Scenario	**Open Price (USD)**	**Close Price (USD)**	**Percentage change in equity**	**Profit/Loss (USD)**
Favourable	250	275	10%	2500
Moderate	250	252.50	1%	250
Unfavourable	250	225	-10%	-2,500
Stress	250	150	-40%	-10,000

What financial protections are available?

VARIANSE is a member of the Financial Services Compensation Scheme (FSCS). An eligible claimant under the FCA Handbook Rules of COMP 4.2.1.R and COMP 4.2.2.R is under the protection of the FSCS. As a client of the Company you may benefit from the protection offered by the FSCS in the event that the Company becomes insolvent or ceases trading. Hence, you may be entitled to compensation from the scheme if it is not feasible for the Company to meet our obligations. This depends on the type of business and the circumstances of the claim.

The maximum compensation payable to each individual Client covered by the FSCS is £85,000 irrespective of the number of accounts held, currency and place of offering the investment service. Compensation is only paid to cover financial loss. Using the scheme does not cost you anything but to qualify for compensation you need to be eligible within the FSCS rules. A client who states in writing that he/she wishes to be treated as a professional client will be provided from the Company a clear written warning of the protection and investor compensation rights the client will lose.

Further information on the FSCS can be obtained from the FSCS website, www.fscs.org.uk or by calling the FSCS Helpline on (found on their website).

What are the costs?

The Company offers a set of accounts were transaction costs differ between them. Please visit our Account Comparison page for more information. The Company's cost consists of one-off costs and on-going costs as presented below:

One-off costs (Entry & Exit costs)	**Spread** Spread is the difference, usually indicated in pips, between the Bid and Ask price. The Spreads values vary for different accounts as well as depend on the instrument traded.

	The spread is floating; therefore, it may increase depending on the market conditions. Spread is a cost present both at entering and exiting a trade, and it applies to all the accounts.
	Commission Commission is charged on our ECN Pro Account and Prime Account. The commission is charged in the base currency of the Client account. For more information please visit the Company's website. The commission is charged for opening and closing a position, once the order is entered. The commission is calculated using the following formula: Price x Commission (in % terms) x Contracts x 2 (charged twice, once for opening and once for closing a position) <u>Example, on a USD base currency account</u>: 1 Contract of Facebook Share (Priced at $250) 250 x 0.1% x 2 = $0.50
On-going costs	**Financing Costs** Financing Cost is the fee for keeping the position opened over the night. The financing cost can be positive or negative depending on the instrument. Financing Cost for the opened positions is calculated at 22:00:00 (GMT), Monday to Friday. On Fridays, to account for holding a position into the weekend, financing costs are 3 times the normal size. If you leave a position open overnight, it will be rolled over (at a swap charge) to the next trading day. In this way it will maintain open spot status. Swap rates can be found in the Contract Specifications on the trading platform.
	Please see our Financing Cost calculation formula below Financing Cost = Notional Amount x Swap rate x Number of nights <u>Example:</u> $250 (Price of Facebook) x 100 (number of contracts) x -4% (swap long for Facebook) x 1 (number of nights*) = ($25,000 * 4%) / 360 = $2.78

How can I complain?

In case a Client is dissatisfied by the services provided by the Company, must address any complaints to the Company's Compliance Department in writing and submit to the Company via the following methods:

a. By email: service@varianse.com

b. By post or in person at the Company's Headquarters at 20 North Audley Street, Mayfair, London, W1K 6LX, United Kingdom.

In case the final decision does not satisfy the complainant's demands, the latter may maintain the complaint through the Financial Ombudsman, the FCA or the relevant courts. Further information about the procedures for communicating with the Financial Ombudsman, can be found at http://www.financialombudsman.org.uk. and address their complaints at Financial Ombudsman Service, Exchange Tower, London E14 9SR, telephone: (found on their website), email: Complaint.info@financial-ombudsman.org.uk. For more information please visit the Company's website to view the Complaints or Grievances Policy.

Other relevant information

Clients must read, understand, and acknowledge the Account Opening Agreements prior to on-boarding. These documents can be accessed at the Company's website.