



## **Key Information Document**

### **Physical Shares**

#### **Purpose**

This document provides key information about this investment product. It is not marketing material and it does not constitute as investment advice. The Key Information Document is required by law to assist in understanding the nature of; risks, costs, potential gain and losses of this product and better assist to compare with other financial products.

#### **Product**

**Product name:** Physical Shares

**Distributor:** Offered by Goldenburg Group Limited (the “Company”), a company registered in Cyprus with registration number HE 328474 and authorised by Cyprus Securities and Exchange Commission (“CySEC”), with Licence Number 242/14.

#### **Alert**

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

#### **What is this product?**

##### **Type**

A Physical Share is not a leveraged product and it is offered by the Company on a bilateral execution basis. It allows the investor to obtain a direct exposure to the Equity and so to become a shareholder of the particular Company whose share has been purchased. Physical shares can only be purchased via the trading platform as the ‘BUY’ option and the investor may benefit from rising prices on the Stock. The price of the physical share is an exact representation of the price of the share on the relevant primary exchange. This product also pays Dividends (DVD) based on the decision of the company for which the Stock is owned. Corporate actions apply such as Stock Splits.

#### **Example**

If an investor has opened a BUY position and the price of the share on the Stock Exchange rises, the value of the share price will increase - at the time of closing the position the Company will pay the difference between the closing price and the opening price. Conversely, if the price of the share on the stock exchange declines, the value of the Stock will decrease - at the time of closing the position the investor will pay the Company the difference between the closing price and the opening price. Also, the investor can earn cash Dividends (DVD) on the stock based on the decision of the company for which ownership of the Stock is held. Corporate actions apply such as Stock Splits, which is a decision by a company's board of directors to increase the number of shares that are outstanding by issuing more shares to current shareholders with lesser value per share but not altering market capitalization.

#### **Objectives**

The aim of the physical share is to allow an investor to become a shareholder of particular Company without the need to be official participant of the stock exchange on which the Company is being quoted.

Investor	CFD	Margin %	Leverage	Market Price	Quotation	Initial Margin	Direction	Market Direction	Profit/Loss
A	1	100%	1:1	100	100 % x 100 x 1	100	BUY	UP	PROFIT
B	1	100%	1:1	200	100 % x 200 x 1	200	BUY	DOWN	LOSS

Physical Shares carry a different stop-out level than CFDs and they are traded with leverage set at 1:1. When free margin drops due to price movement in the opposite direction of the trades, the investor must either fund the account in-order to keep margin level above stop out (automatic system close of open order) level which is at 0% of margin level, or close position(s) to avoid being stopped out, i.e.,

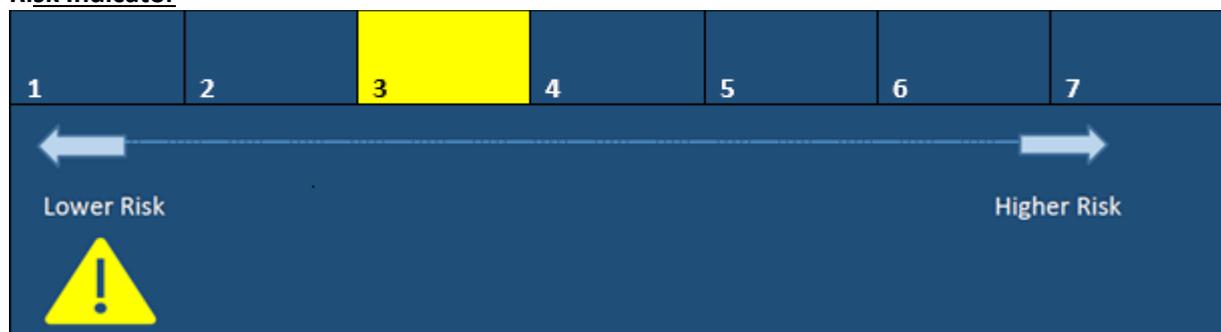


automatic close of open positions. Margin Call notification is communicated through a durable medium when margin level falls below 100 %.

**Intended Retail Investor**

Physical shares are available for investors who have less knowledge for the financial markets and they are expected to have less trading experience with the financial markets. It is anticipated that the investors will have an understanding on how the moving price of the physical share on the primary stock exchange affects the open positions of their account. Moreover, they must understand that trading physical shares might cause a loss of significant part of invested capital and they must have the ability to bear losses.

**Risk Indicator**



The Risk indicator represents the risk involved in these products compared to other products. It illustrates the possibilities of how a products movement can lead to financial loss for the investor. The Risk indicator has been set to the Lower level. The rate indicates the potential losses from the product future performance. The risk indicator assumes that the investor may not be able to BUY or SELL the Shares at the price desired due to market volatility or the investor may have to BUY or SELL the Shares at a price that significantly impacts the anticipated profitability of the shares.

**Currency Risk**

It is possible to buy or sell physical share in a different currency from the currency of your account. The final pay-out that you might receive depends on the exchange rate between the two currencies.

**Performance Scenarios**

The below scenarios were demonstrated to provide information on how an investment may perform. This allows for comparisons between other products scenarios in order to identify which product is more suitable. The scenarios presented are an approximate future performance based on evidence from the past performance on how the value of this investment differs and are not an exact indicator. The outcome will be based on the market performance and how long the position is held on a particularr Stock. The stress scenario indicates the possible outcome in extreme market circumstances. **Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent return. Actual returns could be lower.**

**Scenario**

Physical Shares	
Opening Price: P	100
Trade Size (per CFD): TS	5
Margin %: M	100 %
Contract Size: K	1
Margin Requirement (€): MR = P x TS x M x K	500
Notional Value of the Trade (€): TN = MR/M	500



**Table 1**

<b>BUY Performance Scenario</b>	<b>Closing Price (inc. spread)</b>	<b>Price Change</b>	<b>Profit/Loss</b>
<b>Favourable</b>	<b>101.50 €</b>	<b>1.50 %</b>	<b>7.50 €</b>
<b>Moderate</b>	<b>100.75 €</b>	<b>0.75 %</b>	<b>3.75 €</b>
<b>Unfavourable</b>	<b>98.50 €</b>	<b>-1.50 %</b>	<b>-7.50 €</b>
<b>Stress</b>	<b>95 €</b>	<b>-5 %</b>	<b>-25 €</b>

**What happens if the Company is unable to pay-out?**

The Company segregates its clients' funds from its own, in accordance with the Law 87(I)2017 and the related Directive of the Cyprus Securities and Exchange Commission for the Safeguarding of financial instruments and funds belonging to clients. Moreover, the Company participates in the Investor Compensation Fund (ICF). The total payable compensation to each covered Client of the Company may not exceed the amount of twenty thousand Euros (EUR 20,000). Please refer to Cyprus and Securities and Exchange Commission website <https://www.cysec.gov.cy>

**What are the Costs?**

<b>One-off Entry or exit Costs</b>	<b>Spread</b>	The Difference between the Sell Price and Buy price
	<b>Minimum Commission</b>	The minimum fee charged for the service carrying out the transaction
<b>On-going Costs</b>	<b>Maintenance Fee</b>	If a BUY position is open after 'market close', that open position will be subject to a Maintenance Fee

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

Physical Shares have no recommended holding period. Provided that the company is open for trading the investor may BUY and/or SELL the Physical Shares provided that the underlying exchange is available for trading. Please review all the financial instruments and their trading hours at [www.goldenburggroup.eu](http://www.goldenburggroup.eu)

**How can I complain?**

For complete details of the complaint process please read '[Complaint Procedure for Clients](#)'

**Other Relevant information**

We encourage you to read the Terms of Business, Risk Disclosure and Warning Notice and the Best Interest and Order Execution Policy. You can find the mentioned documents, under the section [Regulation](#). Such information is also available upon request.