

**D-account Currency Swap
Key Information Document (KID)**

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.

1. General

Name of product: D-account Currency Swap
Manufacturer: Freedom Finance Europe Ltd.
Contact details: By e-mail at: info@freedomfinance.eu; by telephone at: +357 2525 7787
Website: <https://freedomfinance.eu/>
Competent Authority: Freedom Finance Europe LTD is supervised by the Cyprus Securities and Exchange Commission (CySEC)
Date of KID: 08.01.2024

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

2. What is this product?

Type: This product is an investment product in the form of the brokerage account providing credit interest equal to floating SOFR rate on USD placement and equal to floating one-week EURIBOR rate on EUR placement upon settlement within the Company through transactions with Currency swaps.

Objectives: This product is intended to clients interested in capital maintenance/protection and allows clients to gain guaranteed low level risk income as a result of profit upon the settlement within the Company through transactions with currency swaps. A currency swap is a pair of conversion transactions in which cash flows in one financial instrument exchanged for those of another financial instrument or cash at a certain future date. One - with the settlement date T on the Swap opening day (selling financial instrument), the second - with the settlement date T+1 (buying financial instrument). The profit on the second transaction constitutes the income paid under the terms of this Product.

This product is not expected to qualify as sustainable: In regard to Environmental, Social and Governance (ESG) objectives the Company is not in a position to reliably assess whether this financial product promotes sustainability characteristics or whether the underlying investments follow good governance policies. In the future the Company may reassess this position.

Duration: This product is open-ended and can be held for the time period that meets the client's needs and life circumstances. The Company keeps rolling the currency swap transactions until the client transfers the funds from D-Account back to a trading account.

Fixed Rate: Interest is payable on a daily basis on the balance of the D-Account (EUR and/or USD) as per the following rates

- for USD: equal to floating SOFR rates (Secured Overnight Financing Rate Data), published by the New York Fed on the New York Fed website at approximately 8:00 a.m. Eastern Time (USA) on the given day <https://www.newyorkfed.org/markets/reference-rates/sofr>, and
- for EUR: equal to floating one-week EURIBOR rate (Euro Interbank Offered Rate) - euro money market benchmark calculated for one-week maturities, published by the European Money Markets Institute on the given day on its website <https://www.emmi-benchmarks.eu/benchmarks/euribor/>.

The interest rate can be changed at the Company's absolute and sole discretion. Fluctuating the price of an underlying asset under the currency swap transaction will not affect the interest accrued on the swap opening day and is payable on the settlement date.

Underlying Asset: Currency (EUR or USD)

Intended retail investor: This product is intended to be offered to retail investors who:

- (a) have the ability to make an investment decision through the basic knowledge and understanding of the product and its specific risks and rewards, with experience of investing in and/or holding a number of similar products providing a similar market exposure;
- (b) seek capital maintenance and minimal guaranteed profits generated by low-risk product;
- (c) accept the risk that the counterparty could fail to pay or perform its obligations under the product but cannot bear any loss of their investment;
- (d) are willing to accept a level of risk to achieve potential returns that is consistent with the summary risk indicator shown below.

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

This Product allows clients to gain guaranteed low level risk income as a result of fixed profit upon the settlement within the Company through transactions with currency swaps. At its absolute and sole discretion, the Company will place the Client's funds from D-Accounts in an OTC currency

swap transaction every business day. Swap prices are not published but can be seen in the brokerage statement after the execution. The performed currency swap transactions allow the client to receive the profit equal to floating SOFR rate on USD placements and equal to floating one-week EURIBOR rate on EUR placements. The minimal interest accrued and payable on D-Accounts is 0.01 (one cent). The interest payable is non-cumulative and will not be calculated daily until the minimal interest amount of 0.01 cents is reached. The client is entitled to receive back at least 100% of the capital as well as any interest calculated based on the fixed rate and the time period during which the funds are kept on the D-account.

Summary risk indicator (SRI)



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 the Company cannot pay the investor. Credit risk, foreign exchange risk and liquidity risk have not been taken into consideration in the calculation of the SRI.

We have classified this product as **1** out of **7**. This is the lowest risk. This rates the potential losses from the future performance at a low level, and poor market conditions are unlikely to impact our capacity to pay you.

The Company unreservedly affirms and guarantees that any loss suffered by the Client due to a default or insolvency of a third party involved in the Swap transaction is subject to full indemnification by the Company towards the Client.

If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from compensation provided by Cyprus Investor Compensation Fund (ICF) (see the section 'What happens if Freedom Finance Europe Ltd is unable to pay out?'). The company does not take into account this type of protection for the calculation of the suggested SRI.

Performance scenarios: The below tables show the money you could get back over different time periods and under different scenarios, assuming that you invest €10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you get will vary depending on how long you keep the investment/product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself but may not include all the costs that the investor pays to the advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. Do not forget that inflation may reduce what you could buy in the future with the amounts shown.

Due to the low risk nature of the product and due to the fact that all the risks are covered by the Company and the results of the investment are not dependent on market conditions the stress scenario doesn't have any particular impact on the performance of the product. The profit is calculated depending on the duration of the investment and the interest rate at the time of submitting your order or at the time of any subsequent reinvestment.

Investment 10.000,00 EUR or 10.000,00 USD with estimated average rate 3.888% in EUR and 5.31% in USD (as of 08-01-2024)

Amount	Currency	Rate	Scenarios	Period of investment						
				31 days	91 days	182 days	366 days	2 years	3 years	5 years
10 000,00	EUR	3.888%	Favourable scenario	10 032,36	10 095,29	10 191,48	10 388,80	10 792,72	11 212,34	12 101,16
			Stress scenario	10 032,36	10 095,29	10 191,48	10 388,80	10 792,72	11 212,34	12 101,16
10 000,00	USD	5.31%	Favourable scenario	10 043,92	10 129,47	10 260,62	10 531,00	11 090,20	11 679,09	12 952,33
			Stress scenario	10 043,92	10 129,47	10 260,62	10 531,00	11 090,20	11 679,09	12 952,33

For the investments above the amount of 20.000,00 EUR or 20.000,00 USD the performance of the Product under the stress scenario may differ (see the section 'What happens if Freedom Finance Europe Ltd is unable to pay out?')

4. What happens if Freedom Finance Europe Ltd is unable to pay out?

In the unfortunate event of insolvency of Freedom Finance Europe Ltd and if the Company is unable to meet its obligations in connection with the Product, for instance in case of bankruptcy or an official directive for resolution action, the retail client may be entitled to limited compensation under the Cyprus Investment Compensation Fund (ICF). This protection will depend on various factors and there are limits to the amount of compensation up to 20.000 EUR per retail client. This may materially affect the value of your investment and **COULD LEAD TO YOU LOSING SOME PART OF YOUR CAPITAL.**

5. What are the costs?

Costs over time: The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

This Product is provided as a free service, and no commission is charged by Freedom Finance Europe Ltd. The Product is not intended for any dissemination through agents or third parties, so no additional costs shall be charged by the person selling you or advising you about this Product independent from Freedom Finance Europe Ltd.

Investment in [CURRENCY] [AMOUNT]	If the investor cashes in (undefined time frame*)
Total costs	NONE
Impact on Return (RIY)	NONE

*the duration of the investment and the cash in date do not have any particular influence on costs due to the open-ended nature of the Product.

Composition of costs: The table below shows:

- The impact each year of the different costs on the investment return the investor might get at the end of the recommended holding period,
- The meaning of the different cost categories

One-off costs	Entry costs	not applicable
	Exit costs	not applicable
Ongoing costs	Portfolio transaction costs	not applicable
	Other ongoing costs	not applicable
Incidental costs	Performance fees	not applicable
	Carried interest	not applicable

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

Recommended holding period: N/A

This product is open-ended and can be held for the time period that meets the client's needs and life circumstances. The product does not have a minimum holding period as it can be surrendered at any time. The Company automatically keeps rolling the currency swap transactions on a daily basis till the client has funds available on D-account or until the client transfers funds from D-Account back to a trading account. This Product is designed to provide conservative approach to capital maintenance and protection, and its open-ended character provides you with the opportunity to choose the most suitable investment horizon depending on your personal circumstances and your ultimate objectives for investing money.

7. How can I complain?

We are committed to providing you with a high level of service. It is therefore very important that you inform us when the level of service does not meet your expectations. Should you have any cause for complaints about our services please do not hesitate to contact us. Complaints should be sent in writing, either by email at info@freedomfinance.eu or by mail to the following address: Freedom Finance Europe Ltd., Christaki Kranou 20, Freedom Tower, 5th Floor, 4041 Germasogeia, Limassol, Cyprus. For more information, please, refer to our Complaints Management Policy available on Freedom Finance Europe Ltd website (https://freedomfinance.eu/upload/docs/2022/Complaints_Policy.pdf). Making a complaint will not affect your legal rights.

8. Other relevant information

Additional information can be received by visiting the Freedom Finance Europe Ltd website (<https://freedomfinance.eu/documents>) or by contacting your personal client support manager.

Your Capital is at risk. Trading with financial instruments may involve additional restrictions, - please refer to the Terms of Business. The forecasts and past performance are not reliable indicators of future performance. It is important to do your own analysis before making any investment decision.

The information contained in this Key Information Document does not constitute a recommendation to buy or sell the product and is no substitute for individual consultation with your advisor.

The offering of this product has not been registered under the U.S. Securities Act of 1933. This product may not be offered or sold, directly or indirectly, in the United States of America or to U.S. persons. The term "U.S. person" is defined in Regulation S under the U.S. Securities Act of 1933, as amended.