



Key Information Document

FOREX

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 – Forex

Product name: Contract for Difference (“CFDs”) on a Currency Pair (“FOREX”)

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, with License 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

FOREX, also known as foreign exchange, FX or currency trading, is a contract for difference (“CFD”) on a currency pair. Forex is a decentralized global market where all the world’s currencies trade. The FOREX market is the largest and most liquid market in the world with an annual volume in the trillions.

Objectives

The objective of trading FOREX is to speculate on price movements (generally over the short term) in an underlying asset by obtaining an indirect exposure to the underlying asset. The return depends on movements in the price of the underlying asset and the size of the investment. The first currency listed in an FX pair is called the base currency and the second currency is called the quote currency (each currency pair is listed as a three- letter code). The price of an FX pair is how much one unit of the base currency is worth in the quote currency. If the base currency rises against the quote currency, then a single unit of the base currency will be worth more units of the quote currency and the FX pair's price will increase. If it drops, the pair’s price will decrease.

Example

If an investor has opened a buy position (e.g. EUR/USD) and the price of the underlying asset rises, the value of the CFD will increase - at the end of the contract the Company will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if an investor opened a sell position and the price of the underlying asset rises, the value of the CFD will be increased - at the end of the contract the investor will pay the Company the difference between the closing value of the contract and the opening value of the contract.

| FX | Direction | Leverage | Position Size in lots | Initial Margin | Open Price | Close Price | Change in % | Total Spread | Swap Paid | Net Profit |
|--------|-----------|----------|-----------------------|----------------|------------|-------------|-------------|--------------|-----------|------------|
| EURUSD | BUY | 1:30 | 1 | 4031.43 | 1.20943 | 1.21285 | 0.28% | 32.00 | 39.04 | 302.96 |
| EURUSD | SELL | 1:30 | 0.1 | 403.14 | 1.20943 | 1.22785 | 1.52% | 3.20 | 3.29 | -187.49 |
| AUDJPY | BUY | 1:20 | 1 | 3867.19 | 84.382 | 85.268 | 1.05% | 45.60 | 22.43 | 785.56 |
| AUDJPY | SELL | 1:20 | 0.1 | 386.72 | 84.382 | 86.756 | 2.81% | 4.56 | 2.32 | -214.18 |



When free margin drops due to price movement in the opposite direction of the trades, one must either fund the account in-order to keep margin level above stop out (automatic system close of open order) level which is at 50% 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

Forex CFDs are available for investors who have knowledge for the financial markets, and they are expected to have trading experience with leveraged products in the past. It is anticipated that the investors will have an understanding on how the prices of currency pairs is derived, the key concepts of margin and how leverage works. Moreover, they must understand that trading leveraged products might cause a loss of their entire invested capital and they must have the ability to bear losses.

Risk Indicator

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

← Lower Risk Higher Risk →

The risk indicator assumes that you may not be able to buy or sell your CFD at the price you wanted to due to volatility of the market or you may have to buy or sell your CFD at a price that significantly impacts how much you get back.

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 Highest level. The rate indicates the potential losses from the product future performance. Forex are leveraged and risky products that can cause losses. Losses cannot exceed the amount invested (negative balance), however you may lose your entire invested capital. There is no capital protection against market risk, credit risk and/or liquidity risk.

Currency Risk

It is possible to buy or sell Forex 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 the other products and their 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 the Forex Pair. 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.**

| FOREX: EUR/USD | |
|----------------------------|--------|
| Opening price | 1.1975 |
| Trading Size (per CFD): TS | 5 |



| | |
|--|----------|
| Margin (%): M | 3.3 % |
| Contract Size K | 100,000 |
| Margin Requirement (€): MR = TS x M x K | 16,500 |
| Notional Value of the trade (€): NV = MR/M | 5000,000 |

Table 1

| BUY Performance Scenario | Closing price (inc. spread) | Price change | Profit/ Loss | SELL Performance Scenario | Closing price (inc. spread) | Price change | Profit/ Loss |
|---------------------------------------|--------------------------------|-----------------|------------------|--|--------------------------------|-----------------|------------------|
| Favourable | 1.2154 | 1.5 % | 8,950 \$ | Favourable | 1.1796 \$ | 1.5 % | 8,950 \$ |
| Moderate | 1.2064 | 0.75 % | 4,450 \$ | Moderate | 1.2064 \$ | 0.75 % | 4,450 \$ |
| Unfavourable | 1.1796 | -1.5 % | 8,950 \$ | Unfavourable | 1.2154 \$ | -1.5 % | 8,950 \$ |
| Stress | 1.1377 | -5 % | 29,900 \$ | Stress | 1.2573 \$ | -5 % | 29,900 \$ |

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 www.cysec.gov.cy.

What are the costs?

| | | |
|------------------------------------|---------------------------|--|
| One-off Entry or exit Costs | Spread | The Difference between the Sell Price and Buy price |
| | Minimum commission | The minimum fee charged for the service carrying out the transaction (it refers to stocks ONLY) |
| Ongoing costs | Swaps | If a BUY or SELL position is open after 'market close', that open position will be subject to a Swap Fee |

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

Forex has no recommended holding period. Provided that the Company is open for trading the investor may BUY and/or SELL the currency pair(s) provided that the markets are available for trading. Please review all the financial instruments and their trading hours at 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.