



## **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.

Investor	CFD	Margin (%)	Direction	Market move	Profit/Loss
A	1	3.3 %	BUY	UP	PROFIT
B	1	3.3 %	SELL	UP	LOSS
C	1	3.3 %	BUY	DOWN	LOSS



Margin as of 1st August 2018:

3.3 % for Major Currency Pairs: combination of any of the EUR, USD, GBP, CAD, CHF, JPY.

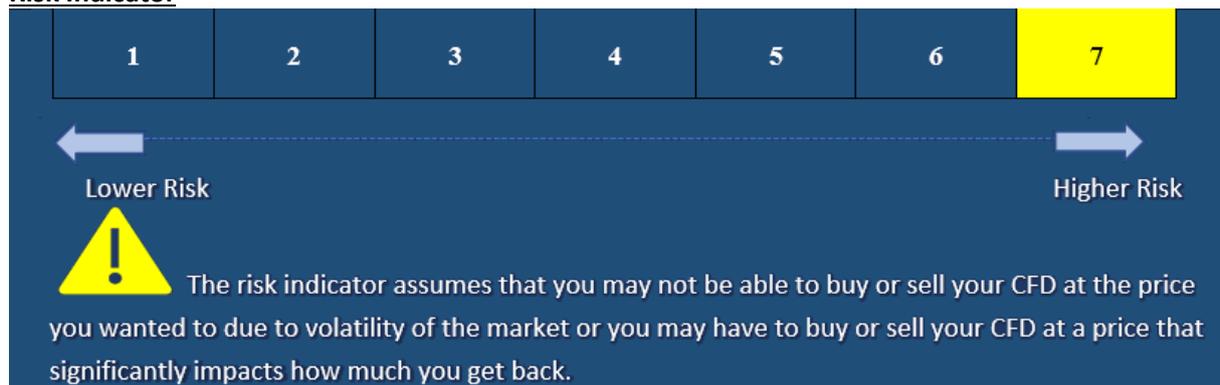
5 % for other Currency Pairs

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**



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](http://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 (it refers to stocks ONLY)
<b>Ongoing costs</b>	<b>Swaps</b>	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](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.