

Key Information Document

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 investing in this product and to help you compare it with other products.

PRODUCT

CFD on FX pairs

NFX Capital CY Ltd www.nordfx.com.cy Tel.:+35725558111 Regulated by the CySEC 23/06/2021

ALERT

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

WHAT IS THIS PRODUCT?

TYPE

CFDs on FX pairs are instruments traded over the counter (OTC) and represent a contract where the profit is to be secured or loss avoided by reference to fluctuations in an underlying currency pair, such as the Euro (EUR) against the U.S. Dollar (USD), referred to as EURUSD, for immediate delivery.

Such trades do not entitle you to any rights in relation to the underlying currencies including any rights to delivery, acquisition or ownership.

One of the key features of CFDs is that they are traded on a margin or leverage basis meaning that you will only need to commit a small proportion of the notional value of the contract as margin. This means however that the size of your positions and potential profits and losses are magnified relative to your investment resulting in greater risks. It also means that you may lose more than you invest.

Please visit nordfxeu.com for further information in relation to the underlying currency pairs available.

OBJECTIVES

The objective of trading CFDs on FX pairs is to gain exposure to fluctuations related to the underlying currency pair without owing it. The spread, financing and exchange rate movement all determine its profitability. This product is entered into for the purpose of speculation or hedging and is commonly traded on margin.

INTENDED RETAIL INVESTOR

Trading in this product will not be appropriate for everyone. This product would commonly be used by persons who want to generally gain short term exposures to financial instruments/markets; are using (trading with) money which they can afford to lose; have a diversified investment and savings

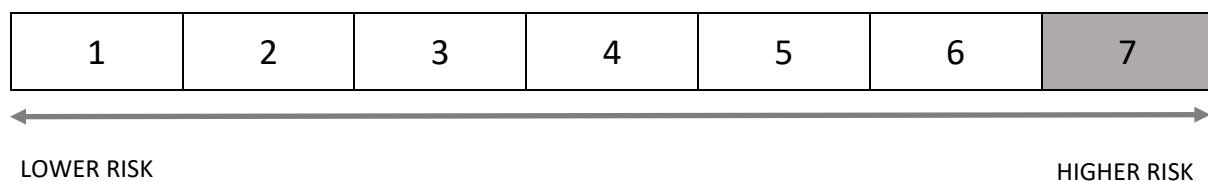
portfolio; have a high risk tolerance; and understand the impact of and risks associated with margin trading.

TERM

CFDs on FX pairs is an execution-only product and generally therefore has no recommended holding period. CFDs on FX pairs trades do not settle. Instead, open positions held at the end of a trading day are rolled forward to the next available business day.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

RISK INDICATOR



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 have 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.

The risk is high because:

- The instrument is volatile and is subject to wild swings.
- Spread may widen with reduced liquidity.
- You could lose your entire investment.
- You could lose more than your initial investment.

Be aware of currency risk: If your account currency is different to the profit or loss currency then you will also have additional currency risk in trading this product dependent on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. In some circumstances you may be required to make further payments to pay for losses. The total loss you may incur may significantly exceed the amount invested.

Trading risks are magnified by leverage and thus the total loss you may incur may significantly exceed the amount invested. Values may fluctuate significantly in times of high volatility or market/economic uncertainty. Such swings are even more significant if your positions are leveraged and may also adversely affect your position. As a result, margin calls may be made quickly or frequently. In the event of default, NFX Capital CY shall seek to immediately terminate, cancel and close-out all or part of any outstanding positions, and any shortfall will be borne by you. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you.

PERFORMANCE SCENARIOS

There are a number of types of trading risk, including leverage risk, which you should be aware of before beginning to trade. Factors that affect the performance of this product include but are not limited to:

- Leverage risk
- Risk of unlimited loss
- Margin risk
- Foreign exchange risk
- Market risk
- Unregulated market risk
- Market disruption risk
- Counterparty risk
- Online trading platform and IT risk
- Conflicts of interest

The following show some examples of trading profit for better understanding.

Let's assume that the market price in EURUSD is trading at 1.10499/1.10500. You believe that the Euro (EUR) is going to strengthen against the U.S. Dollar (USD) and want to take advantage of this move higher. You therefore decide to buy 100,000 EURUSD at 1.10500.

Favourable Scenario

Two days later, EUR has strengthened against the USD and you decide to realise your gain by closing out your long EURUSD position.

The market price in EURUSD is trading at 1,10600/1,10601. The amount of profit that you have made on the transaction, before adjustments and tax, is 100,00 USD. The profit/loss is calculated by multiplying the change in the price (closing price to opening price) with the notional amount of the position i.e. the difference between 1,10600 and 1,10500 (= 0,00100 or 10 pips) x 100.000 = 100,00 USD.

Moderate Scenario

The market price in EURUSD is trading at 1,10510/1,10520EUR and you decide to close out your long EURUSD position.

The amount of profit that you have made on the transaction before adjustments and tax is 100.000 x (1,10510-1,10500)= 10,00 USD.

Unfavourable Scenario

The market price in EURUSD is trading at 1,10400/1,10410EUR and you decide to close out your long EURUSD position.

The amount of profit that you have made on the transaction before adjustments and tax is 100.000 x (1,10400-1,10500)= -100,00 USD so you realised a loss of 100,00 USD before transactions costs.

WHAT HAPPENS IF NFX CAPITAL CY IS UNABLE TO PAY OUT?

If we are not able to pay you what is owed you could lose your entire investment. However, the Investor Compensation Fund (ICF) will protect you up to a maximum of € 20 000. The indicator shown above does not consider this protection.

WHAT ARE THE COSTS?

Before you begin to trade CFDs on FX pairs you should familiarise yourself with all commissions, fees, and other charges for which you will be liable. These charges will reduce any net profit or increase your losses. For more information please visit our website.

BREAKDOWN OF POSSIBLE COSTS ASSOCIATED WITH CFD on FX pairs		
One-off costs	Spread	The difference between the bid (sell) price and the offer (buy) price. Spread is dependent on many different factors, including but not limited to, the underlying liquidity and volatility, time of day and notional trade size.
	Profit/Loss Currency Conversion	The fee charged for converting realised profit/loss from the instrument currency to the account currency.
Ongoing costs	Financing of unrealised profit/loss (Financing Interest)	Any unrealised profit/loss that is rolled from one day to the next is subject to an interest credit or debit.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

Recommended holding period: NO RECOMMENDED HOLDING PERIOD

CFDs on FX pairs have no recommended holding period. Provided that NFX Capital CY Ltd is open for trading, you can enter and exit positions at any time.

HOW CAN I COMPLAIN?

A client may submit a complaint by selecting the option Complaints Department under the section [Customer Support](#), and by filling in the required fields.

Alternatively, the client may fill the respective Client Complaint Form, which can be found in Annex 1 of [Complaints Management Procedure](#) document.

The Company will reply to the complainant within a reasonable time frame usually between 1 to 2 weeks from acknowledgement of receipt of the Client Complaint Form, by either providing a solution to the complainant taking into consideration the seriousness of the complaint and the extent of economic impact both to the client and to the Company itself, or if this timeframe is not enough (due to the complexity of the complaint), it will provide an update of its actions until this point.

In case the Company's Final Response does not fully satisfy the complainant's request, then the Company will inform the complainant of his right to forward the complaint either to the Financial Ombudsman or to the Cyprus Securities and Exchange Commission. A complaint to the Financial Ombudsman should be filled within three months from the receipt of the response from the company.

The Financial Ombudsman can be contacted as follows:

Complaints: complaints@financialombudsman.gov.cy

Website: www.financialombudsman.gov.cy

OTHER RELEVANT INFORMATION

Further information with regards to this product can be found on our website in our Trading Accounts:

<https://nordfxeu.com/accounts.html>