

Key Information Document – CFDs

This document provides you with key information about this investment product. It is not costs, potential gains and losses of this product and to help you compare it with other products.

Manufacturer: MaxFX tradename of TopFX Limited
License no. 138/11
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Supervised Authority: Cyprus Securities and Exchange Commission
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! You are about to purchase a complex product which is difficult to understand and carry high risk of loss of your entire invested capital.

Product Description

Contracts For Differences (CFDs), are complex financial products in accordance with the applicable law. They are traded on an 'over-the-counter ('OTC') basis and not through a regulated market. CFDs, which are agreements to exchange the difference in value of a particular underlying instrument between the time at which the agreement is entered into and the time at which it is closed, allowing the investors to replicate the economic effect of trading in particular currencies or other asset classes without requiring actual ownership. When trading CFDs there is no physical exchange of assets; therefore, financial settlement results from the difference at the time the position is closed and the price of the underlying asset (formulated by the Counterparty) at the time the position is opened. The most common underlying assets include stocks, commodities, currencies and market indices.

The amount of any profit or loss made on a CFD trade will be determined by:

- (a) The difference between the opening trade price and the price when you close the trade;
- (b) The units traded;
- (c) Any adjustments in respect of the CFD, for example where a dividend is paid on an underlying share/index;
- (d) Any holding costs or commissions relating to the CFD;
- (e) The tick or pip value of the traded instrument;

CFDs operations

In order for a position to be opened an investor should have sufficient funds in the trading account to cover the required margin for that position. The margin required for the various CFDs can be found on our website and/or platform. When a position is closed, the investor gains the difference between the market value of the underlying asset at the time of closing the position, if:

When holding a long position (buying a CFD), the price at the time the position closes, is higher than the price at the time the position was opened, which is automatically converted to the trading account currency; or

When holding a short position (selling a CFD), the price, at the time the position closes, is lower than the price at the time the position was opened, which is automatically converted to the trading account currency

To close an open 'buy' or 'long' CFD you sell it, and to close an open 'short' or 'sold' CFD you buy it. With most CFDs you can hold the position for as long as you like which may be for less than a day, or for months. The Closing Level will be the last available price at or prior to the close or the applicable official closing quotation or value in the relevant underlying market as reported in the platform; minus any commission or spread which is applied to the CFD when it is closed.

Leverage and Margin

CFDs are leveraged financial instruments, which allow the investor to trade on higher exposures on the underlying assets compared to the invested amounts. With CFDs, you only have to put in a portion of the market value of the underlying instrument when making a trade. The leverage usually is specified as a ratio, such as 1:25, 1:50, 1:100 or 1:200. This means that you can trade with amounts proportionally higher than you could invest in a particular CFD. Sometimes the Leverage is expressed in percentage terms – and referred to as Margin requirement. A Leverage of 1:100 is a margin requirement of 1%. Initial margin is the amount required by the investor to open a certain position in CFDs and is expressed as a percentage of the nominal exposure. The lower the percentage the higher the financial leverage. The level of leverage or margin requirement can be amended at any time by the Company and is subject to the leverage policy of the Company which can be found in the Company's website and/or platform. It is the responsibility of the investor to ensure that at all times his/her trading account maintains adequate capital/equity to meet the margin required for the open positions in order to avoid the enforcement of closing any positions due to stop-out. Stop-out level is reached, when the equity value of the account is equal to 35% of the initial margin amount held for open positions.

Examples:

*An investor wishes to purchase 10 contracts of Germany 30 Index CFD which value is EUR 12,000, with margin requirement 2% (which is equal to 1:50 leverage) for that instrument. This requires for the investor to place a margin of: 10 contracts * market price EUR 12,000 / leverage (50) = EUR 2400.*

An investor purchased 100 Oz of Gold CFD at market price of USD 1,300 by depositing the initial margin requirement of 2% (USD 2,600). At margin level of 35% which means that the equity of the trading account dropped to USD 910, the position will be automatically closed

by the system due to stop-out level reached. Therefore, the investor shall deposit more funds to his/her trading account to keep his/her position open, prior of reaching the margin level of 35%.

Account Performance Scenarios

The scenarios below demonstrate how your investment could perform in different events. The results below should not be considered as exact indicators or recommendations whatsoever and does not include difference types of charges that may apply to your account. Therefore, your account performance (positive or negative) depends on various factors, for instance how long you hold your position(s).

CFDs on Forex		EUR/USD
Opening Price	P	1.13215
Trade size (per CFD)	TS	100,000
Margin percentage	M	1% (Leverage 1:100)
Margin Required	MR=TS x M	EUR 1,000
Notional value of the trade	TN=MR/M	Profit & Loss calculation: USD (Variable currency)
Account Currency		EUR

Scenarios for Long (Buy) Positions:

Performance Scenario	Account Performance	Price Change	Profit/Loss
Favorable	10%	+0.00113	100 EUR
Moderate	5%	+0.00057	50 EUR
Unfavorable	-2.5%	-0.00029	-25 EUR
Stress	-7.5%	-0.00085	- 75 EUR

Trading Charges/Fees

Trading charges/fees apply when investors trade CFDs, such as:

Spread: The price quoted to you as a client, includes a spread (the difference between the Bid and Ask price) which is effectively the cost of trade. The spreads vary depending on the instrument and/or asset type and relevant information can be found on our website and/or website. Live spreads can be found on the Company's website and/or platform.

Mark-Up: mark-ups on spreads may be applied on the spread displayed/ traded on CFDs.

Commission: similarly to the spread is charged on every trade placed. The commission is applied to certain trading account types depending on the volume and the instrument you select to trade. Commission charges per instrument can be found on Company's website and/or platform.

Example:

An investor opened and closed 100,000 EUR/USD. For example, the Company charges USD 5, as commissions, per completed Lot (100,000 units), open and close a Lot for forex pairs. Therefore, the investor will be charged every time with USD 5 per completed Lot. The

calculation used is 'Trade size in base currency converted in USD X USD5 / USD 100,000 (to be converted in the account currency).

Swaps: Swap: is the interest paid or for holding a position overnight. It is a credit or debit as a result of daily interest rates. When you hold positions overnight, they are either credited or debited interest based on the rates at the time. Swap is also called Rollover. Rollover can add a significant extra cost or profit to your trade. For Monday, Tuesday, Thursday and Friday swap is charged once, and on Wednesdays the swap is tripled charged to cover the weekend.

Example:

A Client, has a long position of 100 000 GBP against USD open for weekend and his account is denominated in USD on a Wednesday. The swap rates are 0.1 points for short position and -7.1 for long position. Over the weekend swap is tripled;

Therefore, the calculation will be as follows: $Swap = ((0.00001 * 100,000 * 7.1) * 3 = USD 21.3$.

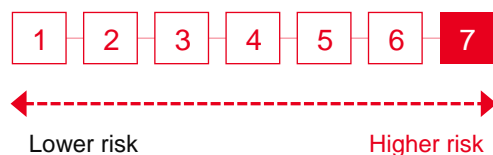
The general calculation form for swaps is as follows: $Swap = (one\ point / exchange\ rate) * (trade\ size) * (swap\ value\ in\ points)$.

Other charges: Investors may be charged investors may also incur expenses relating to the withdrawal methods, which can be found in the Company's website.

When a corporate event occurs regarding shares/indices, may be charged or credited the relevant amount. The Company informs the investors via email and/or the website how will be impacted depended on their side of trading.

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

Risk Indicator



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 will get in return.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It is shown how you may experience losses, due to volatility of the CFDs. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance of the product at a very high level. Your invested capital is not protected, including, but not limited to, due to the following risks:

Market Risk: Under certain trading conditions, it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that trading in the underlying market is suspended or restricted or if liquidity in the underlying instrument is limited.

Credit Risk: The Company may be unable to meet its obligations in full and/or in a timely manner in the event of bankruptcy or insolvency. There is also a risk that the bankruptcy or insolvency of a third party may affect the profitability of the Company.

Counterparty Risk: Counterparty risk refers to the possibility that the Company, as a counterparty to all trades, default or collapse, making unable to fulfill its obligation under the agreement with the investors.

Foreign Exchange Risk: It is possible to buy or sell CFDs in a currency which is different to the base currency of your account. The final return you may get depends on the exchange rate between the two currencies. In addition, the investment in foreign currency CFDs carries the risk of a negative impact on the CFD, arising from adverse movements in the relevant exchange rates.

Leverage Risk: Trading in CFDs carries a high degree of risk. The 'leverage' involved in trading CFDs means that a small initial margin payment can potentially lead to large losses. The geared nature of CFDs also means that CFD trading can carry greater risks than traditional share trading, which is generally not geared.

Conflict of Interest Risk: Investing in CFDs may result in the risk of conflicts of interest, particularly because the Company is the Counterparty in all transactions and also the party responsible for providing investors with the end-pricing on CFDs including trading fees, which may influence an investor's open position(s) and/or the investment return.

Technology Risk: Technical difficulties could be encountered in connection with the trading platforms, thus unable to the investor to access the platform. These difficulties could involve, among others, failures, delays, malfunction, software erosion or hardware damage. Such difficulties could lead to possible economic and/or data loss.

Force Closure Risk: Your margin must remain above the close out level at all times or your positions may be closed out at any time. Closely monitoring your positions is very important as you may be required to make immediate payments to avoid a close out.

There are other risk factors that significantly impact the trading activity and consequently the investment return when trading CFDs.

Pursuant to the company's negative balance protection and according to CySEC requirement, the investor cannot lose more than his/her invested capital. The negative balance protection applies on an account basis, meaning that the Company must ensure that the maximum loss for the clients on an account basis, never exceeds the clients' available funds in the specific account.

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

There is no recommended holding period, no cancellation period and therefore no cancellation fees. You can open and close a CFD at any time during market hours.

What happens if TOPFX LIMITED is unable to pay out?

The Company is a member of the Investor Compensation Fund (the "Fund") for Customers of Cypriot Investment Firms (CIFs) and other Investment Firms (IFs) which are not credit institutions. The object of the Fund is to secure the claims of the covered customers against the members of the Fund (i.e. the Company) by the payment of compensation for their claims arising from the covered services provided by its members, so long as failure by the Company to fulfill its obligations has been ascertained. If the Company cannot meet its obligation regarding clients' funds, your investment is covered by the Investor Compensation Fund which covers eligible investments up to EUR20,000 per person. Please refer to the Company's prospectus regarding **Investor Compensation Fund** for further details.

How can I complaint?

The retail investors may submit their complaints or grievances in relation to CFDs, using the **“Complaint Form”**, to the Head of the Compliance department. The “Complaint Form” may be submitted to the Company by email, fax or by post. The Compliance department is responsible for handling customers’ complaints or grievances. The duties of the Compliance department include the effective and efficient handling of customer complaints or grievances so as to enable the Company to adopt and apply the required actions to prevent the repetition of the same complaints or grievances. For further details, the investors should refer to Complaint Handling Form in the Company’s website.

Other relevant information

The retail investors should always bear in mind that even though the client’s order will be executed on the Market price, it may not be executed at the selected and/or expected price due to slippage (The difference between the selected price of an order, and the price the order actually executes at). The retail investors must ensure that they have read and understood the **Terms and Conditions** of the Company.

You should ensure that you read the Legal Information, Risk Disclosure, Order Execution Policy, Conflict of Interest Policy and Privacy Disclosure displayed in the legal section of our website, as well as our Client Agreement. Such information is available on the Company’s website.