

ARGUSFX

KEY INFORMATION DOCUMENT – BONDS

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by the 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.

Risk Warning

Bonds are leveraged products and involve a high level of risk. It is possible to lose all your capital. These products may not be suitable for everyone and you should ensure that you understand the risks involved. Seek independent advice if necessary.

Product Information

ArgusFX Ltd uses the back-to-back order execution model and in this respect is acting both as manufacturer and distributor of this product. ArgusFX Ltd (“ArgusFX”) is authorised and regulated by the Cyprus Securities and Exchange Commission (hereinafter the “CySEC”) under the license number 334/17. You can contact us at support@argusfx.com or by calling at +357 22 059059.

Bonds is a popular means of trading an actual underlying asset. This method of trading enables you via long or short trading strategy to invest and be part of the fast-moving global financial markets (or instruments). Some of the benefits of trading Bonds is that once purchased, the trader owns the share, unlike with a CFD and is also entitled to dividends of the issuing company whose shares the trader owns. For every point the price of the share moves in your favour, your gain is multiplied by the number of physical share units you have bought. For every point the price moves against you, you will make a loss. Therefore, your return depends on the size of the performance (or movement) of the Bond and the amount of shares owned. Please remember that you may lose up to your entire capital invested.

For all the underlying assets of the ArgusFX, please visit Company’s main website [here](#).

Objective

The product is a futures contract listed for trading and cleared in accordance with the requirements of the specific exchange market Act and the Commodity Futures Trading Commission regulations thereunder. The objective of the product is to give you exposure to the value of debt instruments. The unit of trading is a fixed face value amount of government bonds or notes, which is to be delivered at a future date. Delivery occurs according to exchange market rules through the transfer of ownership of bonds or notes which conform to the standards and parameters set by the exchange market.

The sale of a futures contract can offset a purchase of a futures contract (and vice versa), and therefore offsetting purchases or sales can close out a futures position. The exchange market may however modify or terminate the availability of trading or alter the conditions of delivery under its emergency procedures.

Futures contracts are offered for trading on margin, which is an amount of money that must be deposited when a futures position is opened and is also referred to as ‘performance bond’. Futures contracts are assigned a settlement price at the end of each trading day, and the gain or loss on a position from the previous day (or point of trade) must be collected from or paid to the Exchange’s clearing house. The amount of margin held on deposit must be maintained at a minimum level set by the Exchange’s clearing house and your clearing firm, including where a loss on a position has eroded this amount.

The product is intended for all types of investors, but it is important to note that futures trading is not suitable for all investors, as it involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract’s value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles.

Only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade. Retail clients in particular should have good knowledge and experience of futures or other leveraged products, should be able to bear losses in excess of the amount invested, should have a high risk tolerance, and have a short-term investment horizon for this product. The prices of the product are prices of bonds or notes to be delivered at the expiration date and in accordance with the terms of the futures contract. The return on investment is therefore determined by the market prices for the product when the position is opened and closed, the amount of time to expiration, and the amount of money held on deposit as margin.

STP (Straight Through Process)

ArgusFX offers Bonds to its clients via STP process. The trading platform of ArgusFX offers to its clients the best possible available prices, received by ArgusFX's Liquidity providers, which act as a counterparty to its clients' trades, according to ArgusFX's [Order Execution Policy](#). ArgusFX does not have the dealing on own account license and it is compensated directly by the volume of clients' trades. This depends on the account type of the client, where commissions are charged.

Intended Retail Client

Trading Bonds will not be appropriate for all investors and would be utilized by persons who have differing trading strategies, both long-term and short-term, by using money that they can afford to lose.

In order to trade Bonds, investors should have knowledge and experience in the principles of risk/reward of each company they are willing to invest. Investors will also have appropriate financial means and the ability to bear losses of up to their entire amount invested.

Term

It is up to you when to buy or sell a share, you do not have to hold it for a specific period of time. Before trading, you are strongly advised to read and ensure that you understand the [Terms & Conditions](#).

Risk Involved

Risk Rating

| | | | | | | |
|------------|---|---|-------------|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Lower Risk | | | Higher Risk | | | |

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.** As a futures contract, the product should be considered a high-risk investment product.

The capital protection against market risk, credit risk or liquidity risk is not available. You need to be careful with the currency risk.

The platform gives you the possibility to buy Bonds in a different currency than the one of your account and the return you can get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. Due to specific market conditions we can close your trades at a less favorable price, which could significantly impact how much you get back.

Bonds do not include any protection from future market performance, so you could lose some or your entire invested capital. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section "what happens if we are unable to pay you"). The indicator shown above does not consider this protection.

Performance Scenarios

There are a number of factors that may affect the performance of an instrument. Which you should be aware of before you begin to trade such as:

- Leverage risk/Margin risk
- Foreign exchange risk
- Market risk
- Market disruption risk
- Counterparty risk

- Online trading platform and IT risk
- Conflicts of interests

Scenarios:

Price at Position Opening: 112 EUR

Bond type: Euro Schatz (2 Year Bond)

Trade size of CFD: 100

Nominal Value of the trade: 11,200 USD

| Scenario- Buy Position | Price at Closing Position | Closed Profit/Loss | Price Movement |
|------------------------|---------------------------|--------------------|----------------|
| Stress Scenario | 110 EUR | (200) EUR | -1.78% |
| Unfavourable Scenario | 111 EUR | (100) EUR | -0.89% |
| Moderate Scenario | 113 EUR | 100 EUR | 0.89% |
| Favourable Scenario | 114 EUR | 200 EUR | 1.78% |

| Scenario- Sell Position | Price at Closing Position | Closed Profit/Loss | Price Movement |
|-------------------------|---------------------------|--------------------|----------------|
| Stress Scenario | 114 EUR | (200) EUR | 1.78% |
| Unfavourable Scenario | 113 EUR | (100) EUR | 0.89% |
| Moderate Scenario | 111 EUR | 100 EUR | -0.89% |
| Favourable Scenario | 110 EUR | 200 EUR | -1.78% |

Inability of ArgusFX to Pay Out

According to section 15 (1) of the Investment Services and Activities and Regulated Markets Law 87 (I)/2017, a Cypriot Investment Firm ('CIF') must be in compliance with its obligation under Directive 97/9/EC. Based on which each Member State should have an investor compensation scheme that guarantees a harmonized minimum level of protection at least for the small investor in the event of an investment firm being unable to meet its obligation to its investor clients.

In this respect, ArgusFX is member of the Investor Compensation Fund ('ICF') for clients of CIFs and other Investment Firms ('IFs') which are not credit institutions. ArgusFX is in compliance with the Directive DI144-2007-15 and New ICF Directive.

If, ArgusFX cannot meet its obligations, depending on the type of business and the circumstances of the claim, the Fund covers at least 90% of any loss as long as the compensation paid is less than the Community minimum. Therefore, the coverage =Min (90% x claimed amount, €20,000).

The payment of any compensation by the Fund entails ipso jure subrogation of the Fund to the rights of the compensated covered client-claimant against the member of the Fund for an amount equal to the compensation payable to it.

More information in regard to the Investors Compensation Fund can be found: [Investor Compensation Fund](#)

Costs

Please ensure that you are familiar with all the costs for which you may be liable, by trading Bonds. These charges will reduce any net profit or increase your potential losses. The impact of the different types of cost on the return you might have from your investment is outlined below and you can visit the Company's main website for more information in relation to the costs for trading Bonds: [Bonds Costs](#)

Exchange Rate: In the case where a client has an account that is denominated in a currency that is not of the same currency as the instrument where a position has been opened, any profits or losses will be credited or charged to the client's account, at the currency at which the client's account is denominated, after a conversion has occurred from the asset's denominated currency, at the current exchange rate at the time of the transaction.

Tax: The tax legislation in your country of residence may have an impact on the actual payout of your investment.

Holding period of position

The Company does not prescribe a holding period for any position whether this is a buy or sell position. There is no recommended holding period and no cancellation period for Bonds. You can open and close a Bonds at any time during the exchange markets hours. It is essential to be aware of the implications of trading with margin and the associated costs, if you intend to use a buy and hold strategy when trading in Bonds.

Complaints

You may file a complaint by submitting the Complaints Form via post or by hand at: 148 Strovolos Avenue, 1 st Floor, 2048 Nicosia, Cyprus, or via email at: support@argusfx.com. All complaints will be treated strictly confidential. You can refer your complaint to the Financial Ombudsman of the Republic of Cyprus at : complaints@financialombudsman.gov.cy if you are dissatisfied with your assessment and ruling.

For more information in regard to the Complaint Handling Procedure can be found: [Complaint Handling Procedure](#)

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