

# ARGUSFX

## KEY INFORMATION DOCUMENT – ETFs (DMA)

### 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

ETFs 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.

An ETF, also known as direct market access (DMA) ETF, is a popular means of trading an actual underlying asset, in this case an ETF. This method of trading enables you via a long-only trading strategy to invest and be part of the fast-moving global financial markets (or instruments), such as in this case an ETF. Some of the benefits of trading ETFs is that once purchased, the trader owns the ETF, unlike with a CFD and is also entitled to dividends, should the ETF decide otherwise. For every point the price of the ETF moves in your favour, your gain is multiplied by the number of ETF shares 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 ETF and the amount of ETF shares owned. Please remember that you may lose up to your entire capital invested. Visit our website for further information in relation to ETFs (DMA) and related fees/charges.

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

### Objective

There is Margin Requirement/ Leverage for several ETFs, with the order sizes being in increment of 1 and the minimum order size being 10. Short selling is possible. So a client can either buy or sell first and then sell or buy respectively, depending on the expectation of the client if the price is going to rise or drop respectively. For example, if you expect the price of UWT to decrease, then you could sell 500 UWT shares at a price of 13.58. IF the market drops 29 points i.e. to the price of 13.29 then you would make a profit of 145 USD. However, If the market moves the other way (against you) you would lose 145 USD.

### STP (Straight Through Process)

ArgusFX offers ETFs 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 ETFs can be performed by investors who have different trading strategies, both long-term and short-term, by using money that they can afford to lose. In order to trade ETFs, investors should have knowledge and experience in the principles of risk/reward of each ETF 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 an ETF, 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
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Lower Risk Higher Risk

The risk indicator assumes that the actual risk can vary significantly if you cash in at an early stage and you may get back less, considering also whether it is illiquid or not and whether it is necessary to pay significant extra costs to cash in early. When considered to have a materially relevant liquidity risk you may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back. **This product is classified as 7 out of 7, which is the highest risk class.** These rates classify the potential losses from future performance of the product at a very high level.

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 ETFs 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.

ETFs 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 and ETFs share price. Which you should be aware of before you begin to trade such as:

- Leverage risk/Margin risk
- Risk of loss of entire capital invested
- Market risk
- Market disruption risk
- Counterparty risk
- Online trading platform and IT risk

### Scenarios:

Price at Position Opening: 170 USD

ETF type: SQQQ@NASDAQ

Trade size of ETF: 10

Nominal Value of the trade: 1,700 USD

Scenario- Buy Position	Price at Closing Position	Closed Profit/Loss	Price Movement
Stress Scenario	150 USD	(200) USD	-11.76%
Unfavourable Scenario	160 USD	(100) USD	-5.88%
Moderate Scenario	180 USD	100 USD	5.88%
Favourable Scenario	190 USD	200 USD	11.76%

Scenario- Sell Position	Price at Closing Position	Closed Profit/Loss	Price Movement
Stress Scenario	190 USD	(200) USD	11.76%
Unfavourable Scenario	180 USD	(100) USD	5.88%
Moderate Scenario	160 USD	100 USD	-5.88%
Favourable Scenario	150 USD	200 USD	-11.76%

### **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 ETFs. 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 ETFs: [ETFs 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 ETFs. You can open and close ETFs at any time during the market trading hours of exchange markets. 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 ETFs.

### **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](mailto: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](#)

*Version 001/ 30 Oct 2019*