# Key Information Document – CFDs on Futures

## Purpose

This document provides you (the "Client") 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 this product and to help you compare it with other products.

## Product

HTFX (EU) LTD (the "Company"), a Cypriot Investment Firm regulated by the Cyprus Securities and Exchange Commission (CySEC) with licence number 332/17, is the Manufacturer of Financial Contracts for differences ("CFDs) on Futures with different underlying assets such as Natural Gas or Dollar Index. For more information you can visit the Company's website at www.htfx.eu or call us at 0035725734400.

This Key Information Document ("KID") was published on 31st of August 2021.

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

## What is this product?

### Type:

CFDs on Futures are leveraged derivative financial instruments traded Over the Counter ("OTC") i.e. the trading is concluded outside a regulated exchange or venue and between the client and the Company where the Company agrees to settle in cash the performance of the asset the client decides to speculate on. The client speculates on the price movement (positive or negative performance) of Futures without actually investing in or owning these Futures, by buying and selling contracts i.e. speculate on the rise or fall of Futures' price. The price of a CFD on a Future derives from the price of the underlying asset which might be an equity, an index, or a commodity. The CFDs on Futures track the current front month and are automatically rollover by the Liquidity Provider prior to expiry to next available month. As a result, there is no recommended holding period for CFDs and it's down to the discretion of each individual investor to determine the most appropriate holding period based on their own individual trading strategy and objectives. The Company retains the ability to unilaterally terminate any CFD contract where it deems that the terms of the contract have been breached. The CFDs on Futures have expiry date, that can be found in HTFX (EU)'s website and MT5 platform. Any positions on CFD on Futures are still open at the expiry date, they will be automatically closed by the Company.

### Objectives:

The objective of a CFD on Futures is to speculate on the performance of the underlying asset without actually owning it. You will achieve profit if your speculation on the performance (positive or negative performance) was correct, with the difference between the opening price and closing price of the underlying asset. For example, if you believe the value of a Future's price is going to rise, you would buy a CFD (also known as "long position") with the intention to sell it at a higher value. The difference between the price at which you buy and the price at which you subsequently sell equates to your profit, minus any relevant costs. If you think the price of a Future is going to fall, you would sell a CFD (also known as "short position") at a specific value, expecting to buy it back at a lower price, resulting in us paying you the difference minus any relevant costs. However, in either circumstance if the price moves in the opposite direction and your position is closed, either by you or as a result of a margin call, your account would be debited for the loss of the trade plus any relevant costs.

To open a position, you are required to maintain into your account a percentage of the total value of the contract. This is referred to as the margin requirement. Trading on margin can enhance any losses or gains you make.

### Intended retail client:

CFDs are available for Clients that their objectives and needs will be to increase wealth/ capital, hedge their business foreign exchange risk and speculation over the short, medium or long-term investment horizon. Clients should have knowledge and/or experience of the characteristics of CFDs and a high-risk tolerance and ability to lose all of their capital. The Clients should be willing to accept margined price fluctuations in exchange for the opportunity of higher returns. Moreover, the Clients should be willing to accept concentration risk with the exchange for the opportunity of higher returns.

Clients that are risk intolerant should not invest in the respective target market as these instruments are risky and bear significant amount of risk.

CFDs on Futures have no maturity date or minimum holding period. You decide when to open and close your positions. HTFX (EU) may close your position without seeking your prior consent if you do not maintain sufficient margin in your account.

HTFX EU
Changing The Way You Trade

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

### Summary Risk Indicator

| 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. This rates the potential losses from future performance at a very high level.

Be aware of currency risk. The realized return of a CFD contract denominated in a currency other than your account currency is affected by both the performance of the underlying asset and the exchange rate between both currencies. This risk is not considered in the indicator shown above.

Additional risks that are involved in trading CFDs on Futures are as follows:

Over-the Counter (OTC) transactions risk: Transactions in off-exchange derivatives (OTC) may involve greater risk than investing on-exchange because there is no exchange market on which to close out an Open Position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk.

Margin: Margin is the amount the Client requires to possess to enter into CFD position. If there is a significant drop in the value of the investment in question, the Client must either deposit more funds or close part of the investment he has made.

Trading risk: If the underlying instrument movement is in the Client's favor, the Client may achieve a good profit, but an equally small adverse market movement can not only result in the loss of the Clients' entire deposit. The Client must not enter into CFDs unless he is ready to undertake the risks of losing entirely all the money which he has invested.

Market Risk: In case an adverse movement of the marker affects the investment of the client resulting in negative Account's balance, then the company will cover it, returning the Balance of the Account to zero.

Volatility risk: CFDs and related markets can be highly volatile. The prices of CFDs and the underlying asset may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company. Under certain market conditions it may be impossible for a client's order to be executed at the declared price leading to losses.

## Performance Scenarios

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you hold the CFD. The stress scenario shows what you might get back in extreme market circumstances, and it does not consider the situation where we are not able to pay you.

Below are examples of performance scenario of a deal in CFD based on Dollar Index Future [DX.f] Future traded intraday.

| **CFD on Dollar Index Future [DX.f]** | | |
|---|---|---|
| Future Opening Price | P | 90 USD |
| Volume | V | 0.1 Lot (1 Lot = 1000 indices) |
| Margin Percentage | M | 10% |
| Margin Requirement (USD): | P x V x M | 90 USD x 100 x 10% = 900 USD |
| Notional value of the trade (USD): | P x V | 90 USD x 100 = 9000 USD |

| **Long Performance Scenario (BUY)** | **Closing Price** | **Price Change** | **Profit/Loss** | **Calculation** (Notional Value x Price Change) |
|---|---|---|---|---|
| Favourable | 92.7 | 3% | 270 USD | 9000 USD x 3% |
| Moderate | 90.45 | 0.5% | 45 USD | 9000 USD x 0.5% |
| Unfavourable | 87.3 | -3% | -270 USD | 9000 USD x -3% |
| Stress | 81 | -10% | -900 USD | 9000 USD x -10%) |

These scenarios illustrate an example on how your investment could perform. You can compare them with other derivatives. The scenarios give a range of possible outcomes and are not an exact indication of what you might get back.

## What happens if the Company is unable to pay out?

The Company is a member of the Investor Compensation Fund (hereinafter called the "Fund") which covers nonprofessional clients as defined in the Investor Compensation Fund policy in circumstances when the Company is either unable to return to its covered clients funds owed to them and/or unable to return financial instruments to the covered clients which the Company holds or controls in its accounts on behalf of the clients. The maximum amount of compensation that a covered client can receive by the Fund is €20,000 (Euro Twenty Thousand) or the 90% of the Client's claim, whichever is the lower.

## What are the costs?

Before you begin to trade CFDs on Futures you should familiarise yourself with all one-off, ongoing, and incidental costs for which you will be liable. These charges, which vary on each account type, will reduce any net profit or increase your losses.

| Type | Cost Duration | Definition | Cost |
|---|---|---|---|
| Trading Commission | One-Off | It is charged when you Buy or Sell a CFD. The charge is proportionate to the Volume of the Trading Order. | For Classic Account the Cost is 12 USD per 1 Lot.<br>For Pro Account the Cost is 8 USD per 1 Lot. |
| Spread | One-Off | It is the difference between the Buy (Ask) and Sell (Bid) price. | Variable cost that can be found in the MT5 Platform's Market watch |
| Currency Conversion | One-Off | Any cash, realized profit and loss, adjustments, fees, and charges that are denominated in the currency other than the base currency of your account, will be converted to the base currency of your account. | Conversion fee based on the applicable current market price. |

For more information please visit our website at: www.htfx.eu

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

CFDs on Futures have no recommended holding period. Provided that the Company is open for trading you can enter and exit positions at any time. The Company shall proceed with the settlement of all trades upon the execution and/or time of expiration of the specific trade.

## How can I complain?

For any complaints regarding the services provided by the Company, the client should submit a Complain, by completing the Complaint Form, displayed at the Legal Documents section in Company's website, (available on Appendix 1 of Complaints Handling Policy). Once completed, it should be sent either in a hard copy along with a copy of the complainant's identification document and any additional documentation that would be relevant to the complaint to the Company's head offices which are situated at 109 Omonoias Av., 2nd Floor, Office 201, 3045 Limassol, Cyprus or by e-mail to compliance@htfx.eu.

If you do not feel your complaint has been resolved satisfactorily, you are able to refer your complaint to the Cyprus Financial Ombudsman Service (FOS). See http://www.financialombudsman.gov.cy for further information.

## Other relevant information

You should ensure that you read all Legal Documents such as, Client Agreement Risk Disclosure, Privacy Policy etc. displayed at the Legal Documents section in Company's website. Such information is also available on request.

A fee is charged to your account for every night that your position is held open. This means the longer you hold a position, the more it costs.