

# KeyInformationDocument



## PURPOSE

This document provides you with key information about the available investment products. It is not marketing or legally binding 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. Before deciding to open an account, we suggest that you read the whole document together with our terms and conditions.

**You are about to trade on a market that is not simple and may be difficult to understand.**

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**PRODUCTS:** Contract for Differences (“CFDs”) on Rolling Spot FX Currencies, Commodities, and Indices (hereinafter referred to as the ‘Product’ collectively).

## MANUFACTURER

The Manufacturer of this product is Growell Capital Ltd. For more information you can contact us on +357-25-211-707 for more information. Growell Capital Ltd. is under the Supervision of the Cyprus Securities and Exchange Commission.

## WHAT IS THIS PRODUCT?

- **Rolling FX:** Is a contract where the profit 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.

The objective of trading Rolling FX Spot is to gain exposure to fluctuations related to the underlying currency pair without owning it. Your return depends on the size of the performance (or movement) of the underlying currency pair and the size of your position. This product is entered into for the purpose of speculation or hedging and is commonly traded on margin. Margin refers to the use of a small amount of capital to support an investment of a larger exposure. Please note that margin trading requires extra caution, because whilst you can realize large profits if the price moves in your favor, you risk extensive losses if the price moves against you.

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

- **CFDs on Commodities/Indices:** This product enables you to have exposure to fluctuations related to the underlying instrument without physically owning it. Contract for Differences (CFDs) is an agreement between a buyer and a seller to exchange the difference in value of a particular underlying instrument for the period



between when the contract is opened and when it is closed.

The difference to be exchanged is determined daily by the change in the closing reference price of the underlying instrument. Thus, if the underlying instrument rises in price, the buyer receives cash from the seller and vice versa.

The objective of trading CFDs is to allow the trader to speculate on rising or falling prices in the underlying instrument, by gaining exposure to the underlying instrument. CFDs are not listed instruments but are traded as 'over-the-counter' contracts between the client and the Company. Investors are required to pay an initial deposit, or margin, upfront when the position is opened. Trading on margin can enhance any losses or gains you may make. This initial margin will be returned when the position is closed.

#### **WHO IS THIS ACCOUNT MOST SUITABLE FOR?**

- Clients who have a high-risk tolerance
- Clients who want to generally gain short term exposures to financial instruments/markets, and have a diversified investment and savings portfolio
- Clients who are trading with money which they can afford to lose
- Clients who have experience with, and are comfortable trading on, financial markets and understand the impact of and risks associated with margin trading

#### **WHO IS THIS ACCOUNT NOT SUITABLE FOR?**

- Clients who do not want to be subjected to volatile markets
- Clients who want capital protection

#### **RISK AND REWARD PROFILE**

The primary advantage of a CFD is to allow an investor to gain leveraged exposure to the movement of the underlying asset (e.g. Forex, indices, commodities) either up or down without owning the physical product. You can expect the following benefits:

- CFDs are a cost-effective way to gain exposure to, inter alia, FX, shares, Indices and Commodity markets
- CFDs are characteristically liquid and easily traded



- CFDs provide a highly capital efficient way to participate in the above asset classes
- You can sell (short) CFDs, and benefit from a downward price movement
- The pricing of CFDs is transparent
- Access to live prices
- Set up alerts to new opportunities that match your trading strategy
- The ability to manage risk by setting up a 'price watch' and 'stop loss' facility
- Free research and trading tools

The primary risk of CFDs is the risk that the other party in the contract is unable to meet their obligation; this is known as counterparty risk. Investors use margin to trade CFDs, subjecting the investor to margin calls should the value of the portfolio fall below the minimum level. Profit and loss on CFD trades take place when an investor executes a closing trade. Since CFDs can employ a high degree of leverage, investors can lose money quickly should the price of the underlying security move in the undesired direction. As such, investors should be careful when using CFDs.

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

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 indicator is set at 7 (i.e. very high risk) due to the fact that:

- It is volatile and is subject to unforeseeable swings
- Spread may widen with reduced liquidity
- Your entire investment may be at risk

Performance Scenarios:

The following assumptions have been used to create the scenarios found in Tables A & B below:

CFD on Commodities		
Opening Price	(P)	XAU/USD at 1570
Trade Size	(TS)	(1 Lot= 100 Contracts)
Margin %	(M)	5%
Leverage	(L)	1:20
Margin Requirement	$MR = TS * P * M$	\$7,850
Notional Value of the trades	$NV = P * TS$	\$157,000
Minimum Investment	Lot Size: 0.01	\$78.5

Table A: Long Position Scenario	Closing Price	Price Change	Profit/Loss
Favorable	1580	≈ 0.63%	\$1,000
Moderate	1571	≈ 0.063%	\$100
Unfavorable	1565	≈ - 0.32%	- \$500
Stress	1550	≈ - 1.27%	-\$2,000

Table B: Short Position Scenario	Closing Price	Price Change	Profit/Loss
Favorable	1560	≈ 0.63%	\$1,000
Moderate	1569	≈ 0.063%	\$100
Unfavorable	1575	≈ - 0.32%	-\$500
Stress	1590	≈ - 1.27%	-\$2,000

\*Overnight holding costs or commissions are not included



Prior to trading and committing funds, there are a number of trading risks which you should take into consideration, including but not limited to

- Leverage Risk
- Margin Risk
- Market Risk
- Counterparty Risk
- Foreign Exchange list
- Conflict of interest

The list of risk above doesn't constitute an exhaustive list of all risks and factors which might affect the product performance.

The following assumptions have been used to create the scenarios found in Tables A & B below:

CFD on Rolling Spot		
Opening Price	(P)	EUR/USD at 1.0850
Trade Size	(TS)	(1 Lot= €100,000)
Margin %	(M)	3.33%
Leverage	(L)	1:30
Margin Requirement	$MR = TS * P * M$	\$3,613
Notional Value of the trades	$NV = P * TS$	\$108,500
Minimum Investment	Lot Size: 0.01	\$36.13

Table A: Long Position Scenario	Closing Price	Price Change	Profit/Loss
Favorable	1.0890	≈ 0.37%	\$400
Moderate	1.0860	≈ 0.09%	\$100
Unfavorable	1.0820	≈ - 0.276%	- \$300
Stress	1.0770	≈ - 0.73%	-\$800

Table B: Short Position Scenario	Closing Price	Price Change	Profit/Loss
Favorable	1.0810	≈ 0.37%	\$400
Moderate	1.0840	≈ 0.09%	\$100
Unfavorable	1.0880	≈ - 0.276%	-\$300
Stress	1.0930	≈ - 0.73%	-\$800

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The following assumptions have been used to create the scenarios found in Tables A & B below:

CFD on Indices		
Opening Price	(P)	Dow Jones at 23,500
Trade Size	(TS)	(1 Lot= \$5 * DJIA)
Margin %	(M)	5%
Leverage	(L)	1:20
Margin Requirement	$MR = TS * P * M$	\$5875
Notional Value of the trades	$NV = P * TS$	\$117,500
Minimum Investment	Lot Size: 0.01	\$58.75

Table A: Long Position Scenario	Closing Price	Price Change	Profit/Loss
Favorable	23,620	≈ 0.51%	\$600
Moderate	23,560	≈ 0.255%	\$300
Unfavorable	23,300	≈ - 0.85%	- \$1,000
Stress	23,000	≈ - 2.13%	-\$2,500

Table B: Short Position Scenario	Closing Price	Price Change	Profit/Loss
Favorable	23,380	≈ 0.51%	\$600
Moderate	23,440	≈ 0.255%	\$300
Unfavorable	23,700	≈ - 0.85%	- \$1,000
Stress	24,000	≈ - 2.13%	-\$2,500

\*Overnight holding costs or commissions are not included



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- Leverage Risk
- Margin Risk
- Market Risk
- Counterparty Risk
- Foreign Exchange list
- Conflict of interest

The list of risk above doesn't constitute an exhaustive list of all risks and factors which might affect the product performance.

### MINIMUM INVESTMENT

Each new position opened can be as minimum as 0.01 Lot of the CFDs Product. Margin required can be achieved by multiplying 'CFD contract Size \* CFD Market Price \* Margin%'.

### FEES & COSTS

One-off costs

<b>Spread</b>	The difference between the bid and the ask price at the time of the conclusion of the transaction. The cost can be different depending on market conditions
<b>Commission</b>	The fee to be charged at the opening and closing of the transaction
<b>Exchanges Fee</b>	The fee related to the conclusion of the transaction in selected CFD instruments, connected with fees on the underlying market
<b>Profit/Loss Currency Conversion</b>	The fee charged for converting realized profit/loss from the instrument currency to the account currency

Recurring Costs

<b>Swap Point Rates</b>	The fee related to the financing of the position and is charged at the moment of holding position for another day
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**HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?**

CFDs are generally not suitable for long term investments and are intended for short term trading. There is no minimum and/or recommended holding period for CFDs. As such, you can open and close a CFD at any time during market hours. Such a decision is not related to any extraordinary costs, other than standard item closure costs. Sale of the product does not change the product risk profile. Note that Growell Capital Ltd. may close your position without asking your prior consent if there is no sufficient margin in your account. You can request a withdrawal of available funds on your account at any time.

**INFORMATION REGARDING CONDITIONS OF RETURN FOR INDIVIDUAL INVESTORS OR DETERMINED UPPER LIMITS OF PROFIT FOR THE INVESTORS**

Termination of the product investment does not entail any extraordinary costs. The product has no upper brackets in terms of profit for the investor

**WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY OUT?**

If Growell Capital Ltd. is unable to meet its financial obligations to you, you may lose the value of your investment Growell Capital Ltd. However, Growell Capital Ltd. is a member of the Investor Compensation Fund (ICF) for the Clients of CIFs, which secures the claims of the covered Clients against Cyprus Investment Firms, members of the ICF, through the payment of compensation which may not exceed €20.000 in total to each covered client, irrespective of the number of accounts held, currency and place of offering the investment service.

**HOW CAN I COMPLAIN**

If you have complaint, please contact the head of back office by email at [info@fxgrow.com](mailto:info@fxgrow.com) and/or submit a complaints form by following the link: <http://fxgrow.com/whyfxgrow/subaboutfxgrow/complaints>. - Complaints are handled and prioritized by BO department and you will receive a response in due course – Response time up to Three (3) days depending on the nature of the case.

**OTHER RELEVANT INFORMATION**

If there is a time lag between the time you place your order and the moment it is executed, your order may not be executed at the price you expected. Ensure your internet signal strength is sufficient before trading. The Terms and Policies section of our website contains important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account.

