

KEY INFORMATION DOCUMENT – CURRENCY FORWARD

DATE RELEASED: 17/10/2019 – Version 3

PURPOSE: This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, costs, risks and rewards of this product and to help you compare it with other products.

PRODUCT: CURRENCY FORWARD: - The Manufacturer of this product is the foreign exchange market.

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

DESCRIPTION OF THE PRODUCT

A currency forward is a binding contract in the foreign exchange market that locks in the exchange rate for the purchase or sale of a currency on a future date. A currency forward is essentially a hedging tool that does not involve any upfront payment. The other major benefit of a currency forward is that it can be tailored to a particular amount and delivery period, unlike standardized currency futures. Currency forward settlement can either be on a cash or a delivery basis, provided that the option is mutually acceptable and has been specified beforehand in the contract. Currency forwards are over-the-counter (OTC) instruments, as they do not trade on a centralized exchange. Also known as an “outright forward.”

The objective of this Product is to manage the risk of unfavorable fluctuations of the Exchange Rate, up to final maturity. On the trade date, via this Product, you fix the Exchange Rate (an amount in Currency 2 for one unit of Currency 1) applicable at the Maturity Date (also called “Forward Rate”) regardless of the future evolution of the Exchange Rate. On the Final Maturity Date, you sell an amount in Currency 2 in exchange for an amount in Currency 1 at the Forward Rate. The return of this Product depends, primarily on the actual exchange rate at maturity vs. the locked in rate. This Product is generally meant to be held up to the Maturity Date or can be terminated early. Product risks: With respect to final maturity, you cannot benefit from a favourable change in the Exchange Rate lower than the FX Forward Rate.

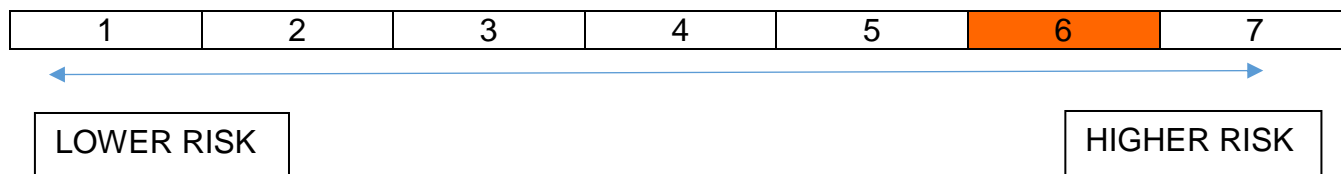
The information in this key information document is based on the legal requirements for the preparation of key information documents. The information provided is illustrative and may differ from the actual terms of the retail investor’s contract. This applies in particular to the calculation of the performance scenarios and the costs, which are based on the following example parameters: a EUR-USD currency pair, a recommended holding period of six months and an investment amount of USD 10,000 (Sell USD vs. Buy EUR).

INTENDED RETAIL INVESTOR: Trading in this product will not be appropriate for everyone. This product could commonly be used by persons as a hedging tool; when they invest in securities denominated in currencies other than their base currency; and may be used for speculative trading with money which they can afford to lose; have a diversified investment and savings portfolio and have a medium to high risk tolerance.

TERM: A Currency Forward may trade for a term of 3 months, 6 months or 12 months or longer.

RISKS AND RETURNS

RISK INDICATOR



The risk indicator assumes you keep the Product until maturity. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to end your product early. You may have to pay significant extra cost to end your Product early.

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 this Product will lose money because of movements in the markets or because the Exchange is not able to pay you. We have classified this Product as 6 out of 7, which is the rather high risk class.

- This Product does not include any protection from future market performance so you could incur significant losses.
- In some circumstances you may be required to make payments to pay for losses. **The total loss you may incur may be significant.**
- Up to the Maturity Date of this Product, its market value (“Marked-to-Market value” or “MtM”) cannot be known in advance and can become negative. The MtM of this Product depends amongst others on the MtM dependency factors value in the market at the time of calculation, but also on this Products characteristics.
- If the Exchange is not able to pay you what is owed, you could incur significant losses.

This product can expose a retail investor to large losses in certain circumstances and can be used for a variety of purposes e.g. for hedging/risk management or as a stand-alone instrument. This is a complex product and is only likely to be appropriate for experienced, sophisticated and knowledgeable types of investors.

PERFORMANCE SCENARIOS

These tables illustrate how your investment could perform. The tables presented give a range of possible outcomes and are not an exact indication of what you might get back. What you get will vary depending on how the underlying will develop. For each value of the underlying, the tables show what the profit or loss of the product would be.

Assuming you enter into a currency forward contract to Sell USD10,000 vs. Buy EUR8,384 at an agreed Forward Rate of 1.1928 maturing in six months.

Scenarios	Forward Rate	Rate of Maturity	Outcome on Maturity Date
Stress scenario	1.1928	1.0139	EUR -1,479
Unfavourable scenario	1.1928	1.0735	EUR -931
Moderate scenario	1.1928	1.1689	EUR -171
Favourable scenario	1.1928	1.3122	EUR 763

This table shows the money you could get back or pay between the trade date and the Maturity Date under different scenarios, assuming the relevant Notional Amount as underlying nominal value.

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, and are not an exact indicator. What you receive will vary depending on how the market performs and how long you keep the Product.

The stress scenario shows what you might get back or pay in extreme market circumstances, and it does not take into account the situation where the Exchange is not able to pay you.

The figures shown include all the costs of this Product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

WHAT HAPPENS IF THE MANUFACTURER IS UNABLE TO PAY OUT?

This Product is an OTC Derivative where the counterparty is the Bank. In case the Bank would be failing or likely to fail, the legal provisions on the recovery and resolution of credit institutions would apply and the Bank could even be declared bankrupt. Consequently, you run the risk for the Bank not to fulfil its contractual obligations and thus you may not receive the amount(s) owed by the Bank under this Product. This Product is not protected by the CySEC Investors Compensation Fund or any other investor compensation or guarantee scheme. This means that, following the occurrence of an event of default with respect to the Bank, you may terminate unilaterally this Product and calculate the early termination amount, but may not recoup the full early termination amount. You may then lose the protection against the risk to be hedged. If you are in any doubt as to your position you should seek independent professional advice.

WHAT ARE THE COSTS?

Fiduserve Asset Management Ltd will not charge you other costs for recommending this product as part of your portfolio. The Broker/Custodian actually executing the transaction may charge you other costs and will inform you accordingly.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MY MONEY OUT EARLY?

The recommended holding period of this Product is its original Maturity Date, as you need, between the trade date and the maturity of this Product, a protection against the risk to be hedged. No party will be entitled to early terminate this Product, unless exceptional market circumstances allow it. In the event of early termination, you may have to pay an early termination fee that shall be added to the market value.

HOW CAN I COMPLAIN?

Retail investors should address complaints to Fiduserve Asset Management in relation to this product. Complaints must be made in writing to Fiduserve Asset Management Ltd, 9 Kafkasou Street, 2112 Aglantzia, Nicosia, Cyprus. You may also consult our client complaints handling procedure found in the Discretionary Investment Management Agreement.

WHAT IF I AM STILL UNHAPPY?

We aim to resolve complaints internally. However, if you are not satisfied with our final response, or if two months have passed since you first raised your complaint with us and it has not been addressed, you may have the right to refer your complaint to the Financial Ombudsman.

You can contact the Financial Ombudsman at this address:

13 Lord Byron Avenue, 1096 Nicosia Cyprus Phone: +357 22848900 (main number) Facsimile (Fax): +357 22660584, +357 22660118	Email: • Complaints: complaints@financialombudsman.gov.cy • Financial Ombudsman: fin.ombudsman@financialombudsman.gov.cy • Website: www.financialombudsman.gov.cy
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OTHER RELEVANT INFORMATION

This Key Information Document has been prepared in accordance with the Commission Delegated Regulation 2017/653 and EU Regulation 1286/2014. Other detailed information relating to the Product and to Fiduserve Asset Management Ltd may be found in the Discretionary Investment Management Agreement.