KPMG Center, Level 2,
1, Agias Fylaxeos Street,
3025 Limassol, Cyprus

FOREX (FX)

KEY INFORMATION DOCUMENT

PURPOSE

This document provides Clients with key information about this investment product. It is not marketing material.

The information is required by law to help Clients understand the nature, risks, costs, potential gains and losses of this product and to help Clients compare it with other products.

PRODUCT

Product Name *Forex (FX)*

Product manufacturer VPR Safe Financial Group Limited ("Alvexo") herein the “Company”, authorised and regulated by the Cyprus Securities and Exchange Commission (CySEC) with CIF license number 236/14 and company registration number HE 322134, located at 1, Agias Fylaxeos Street, 3025 Limassol, Cyprus.

Further information

Clients can find more information about Alvexo’s products on the Company’s website https://www.alvexo.com/

This document was last updated on **October 2018.**

RISK WARNING

The Company’s service includes products that are traded on margin and carry a risk of losses in excess of Clients deposited funds. The products may not be suitable for all investors. Investors need to ensure that they fully understand the risks involved.

WHAT IS THIS PRODUCT?

Type

This document relates to products known as Forex. Forex, also known as foreign exchange, FX or currency trading, is a decentralized global market where all the world's currencies trade. The forex market is the largest, most liquid market in the world with an average daily trading volume exceeding $5 trillion.

The Company offers trading opportunities on many different CFDs on Indices.

Clients can visit the Company’s website for information on the CFDs on Indices available to trade with the Company.

Objectives

The objective of trading Forex is to speculate on price movements (generally over the short term) between two currencies. Client's returns depend on movements in the price of the instrument and the size of the position.

All forex trades involve two currencies. The first currency listed in an FX pair is called the base currency, and the second currency is called the quote or counter currency (each currency pair is listed as a three letter code). The price of an FX pair is how much one unit of the base currency is worth in the quote currency. If the base currency rises against the quote currency, then a single unit of the base currency will be worth more units of the quote currency and the pair's FX pair's price will increase. If it drops, the pair's price will decrease.

For example the EUR/USD, the most-traded currency pair in the world. EUR, the first currency in the pair, is the base, and USD, the second, is the quote. When Client's see a price quoted on their platform, is the price that one euro is worth in US dollars. Clients always see two prices because one is the buy price and one is the sell. The difference between the two is the spread. When Clients click buy or sell, you are buying or selling the first currency in the pair.

For example, if Clients believe the value of an instrument base currency is going to increase vs the quote currency, the Client could buy 1000 or more units of that base currency (this is also known as "going long"), with the intention to later sell them (and subsequently close the trade) when it is at a higher value. The difference between the price at which Clients buy and the price at which Clients subsequently sell equates to your profit, minus any relevant costs (detailed below).

If Clients think the value of an instruments base currency is going to decrease vs the quote currency they could sell (this is also known as "going short") at a specific value, expecting to later buy them back at a lower price than the Client previously agreed to sell them for.

However, in either circumstance if the instruments price moves in the opposite direction and Clients position is closed, either by the Client or as a result of a margin call (detailed below), Clients account would be debited for the loss of the trade plus any relevant costs.

To open a position and to protect the Company against any losses Clients incur, Clients are required to deposit a portion of the total value of the contract in the Client's account. This is referred to as the margin requirement (see further below).

Trading on margin can enhance any losses or gains a client makes.

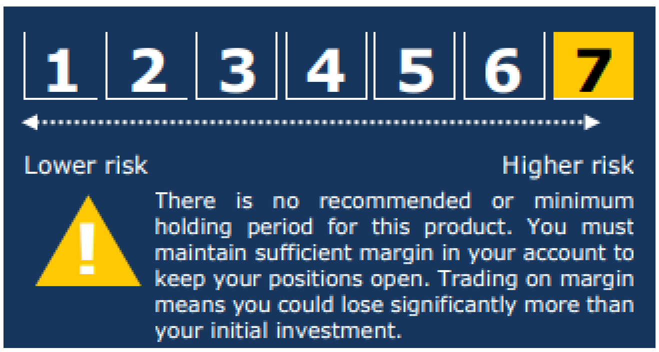
Intended Retail Investor

Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who:

(i) have a high risk tolerance;
(ii) are trading with money they can afford to lose;
(iii) have experience with, and are comfortable trading on, financial markets and, separately, understand the impact of and risks associated with margin trading; and
(iv) want to generally gain short term exposures to financial instruments/markets, and have a diversified investment and savings portfolio.

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

Risk Indicators



The summary risk indicator is a guide to the level of risk of these products compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Company is not able to pay the Client. The Company has classified this product as 7 out of 7, which is the highest risk class.

In some circumstances Clients may be required to make further payments to pay for losses. Trading risks are magnified by leverage – the total loss Clients may incur, is losing all their invested funds.

Margin can be thought of as a good faith deposit required to maintain open positions. This is not a fee or a transaction cost, it is simply a portion of Clients account equity set aside and allocated as a margin deposit. Margin requirements (per 1k position for FX) are determined by taking a percentage of the notional trade size plus a small cushion. A cushion is added to help alleviate daily/weekly fluctuations.

The Company's margin requirements are updated monthly and can be increased temporarily to mitigate risks prior to major market events or in increasingly volatile markets. Current margin requirements will differ depending on account type and can be viewed in the dealing rates.

Margin Call's will occur when the equity of the account falls below the required margin. Depending on the account type and/or trading platform a margin call may liquidate all open the positions on Clients account or may only close specific positions.

The Company processes all liquidations for FX products automatically, for more information on how Margin Calls work.

The Company aims to provide clients with the best execution available and to get all orders filled at the requested rate. However, there are times when, due to an increase in volatility or volume, orders may be subject to slippage. Slippage most commonly occurs during fundamental news events or periods of limited liquidity.

During periods such as these, Clients order type, quantity demanded, and specific order instructions can have an impact on the overall execution you receive.

FX trading is decentralised and pricing will vary from broker to broker. The Company's Forex instruments are not listed on any exchange, and the prices and other conditions are set by the Company in accordance with our best execution policy. FX contracts can be closed only with Alvexo, and are not transferable to any other provider. If you have multiple positions your risk is cumulative and not limited to one position.

The Company offers Negative Balance Protection to its Clients, meaning that they will never be in a position to lose more funds than the amounts invested with the Company. In case the account balance of a Client enters in the negative territory for example due to a gap in the market, this amount will not be requested by the Company, and the Client's account will be brought back to zero (0).

Prior to any trading client should trade only after they have acknowledged and accepted the risks. Clients should carefully consider whether trading in leveraged products is appropriate for them.

Performance Scenarios

This key information document is not specific to a particular product. It applies to any FX instrument. For each trade Clients enter will be responsible for choosing the instrument, when they open and close, the size (risk) and whether to use any risk mitigation features (such as stop loss orders).

Each instrument has a different pip cost (value risked for every change of a certain digit in price) associated to it.

This table shows potential profit and loss under different scenarios. The scenarios assume Clients have a starting equity of €1000 and choose to open a long/short 100k (also known as a standard lot) position. This particular currency pair has a pip cost of €0.1 per 1k meaning in this case the Client will make or lose €10 for every pip the price moves. The price at which the Client can buy is 1.10000. A pip on this instrument is the fourth digit after the decimal place.

The below table does not include overnight holding costs or commissions (discussed further below)

SCENARIOS

		TRADE P/L	NEW EQUITY
Stress scenario: You go long and the price falls by 30 pips and you then receive a margin call.	**Open Price: 1.10000** **Close Price: 1.09700**	-€300	€700 Δ -30%
Unfavourable scenario: You go short and price increase by 7 pips and you exit the position.	**Open Price: 1.10000** **Close Price: 1.10070**	-€70	€930 Δ -7%
Moderate scenario: You go long or short and exit the position at the same rate you entered	**Open Price: 1.10000** **Close Price: 1.10000**	€0	€1000 Δ 0%
Favourable scenario: You go Long and price increases by 5 pips and you exit the position	**Open Price: 1.10000** **Close Price: 1.10050**	€50	€1050 Δ +5%

WHAT HAPPENS IF ALVEXO IS UNABLE TO PAY OUT?

If the Company is unable to meet its financial obligations to its Clients, this could cause Clients to lose the value of any CFD's they have with the Company. The Company segregates Clients funds from its own money in accordance with the CySec's Investors Compensation Fund. Should segregation fail Clients that are classified as RETAIL, their investments are covered by the Investors Compensation Fund which covers eligible investments up to €20,000 per person, per firm.

WHAT ARE THE COSTS?

This table shows the different types of costs involved when you trade FX products.

One-off Costs	**Entry and Exit Costs**	**<u>Spread</u>** Spread is the difference, usually indicated in pips, between the Bid and Ask price. The Spreads values vary for different accounts as well as depend on the instrument traded. The spread can be either floating or fix, depending to the account's type. In case of floating spread, the spread might increase or decrease, depending on the market conditions. Spread is a cost presents both at entering and exiting a trade, and it applies to all the accounts. All the minimum and typical spreads for each CFD are reflected at the Company's website. **<u>Commissions</u>** Commissions are only charged on ECN account types at entry. The amount of the commissions are based on the asset and the account type, hence, the commissions might vary from asset to asset and from account type to account type.

	Currency Conversion Rates	Investing in CFDs with an underlying asset listed in a currency other than your account type base currency entails a currency risk, due to the fact that when the CFD is settled in a currency other than your base currency, the value of your return may be affected by its conversion into the base currency.
Ongoing Costs	**Overnight Financing**	**Swaps** Swap is the fee for keeping the position opened over the night. The swap can be positive or negative depending on the instrument. Swap Values can be found on https://www.alvexo.com/trading-specifications

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

- Clients can open and only exit any trades, during the trading hours of the market of the underlying instrument being made available on the Company's Website.

- Clients can request to withdraw their funds at any time. The Company will process withdrawal requests within 24 hours irrespective of payment method. Minimum withdrawal amounts apply, depending on the mode of remitting funds to you (between USD 5- USD 100). The Company will not charge any withdrawal fees, although some banks may charge transaction fees.

HOW CAN I MAKE A COMPLAINT?

In case a Client is dissatisfied by the services provided by the Company, they must address any complaints to the Company's Compliance Department by filling out the following form and submitting it to the Company via email at: compliance@alvexo.com

If Clients do not feel their complaint has been resolved satisfactorily, they are able to refer their complaint to the Financial Ombudsman Service (FOS). See www.financial-ombudsman.gov.cy for further information.

OTHER RELEVANT INFORMATION

Clients should ensure to read Alvexo's Term and Conditions, Best execution policy and risk warning notice displayed in the legal section of the website, at the Legal Documentation page on our website. Such information is also available on request.