

KEY INFORMATION DOCUMENT CFD ON A FX PAIR

1. 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, risks, costs, potential gains and losses of this product and to help you compare it with other products.

2. Product: CFD on a FX pair

This is a “Contract for Differences” (“CFDs”) on Currency Pairs (Foreign Exchange, Forex or FX). The range of FX Pairs we currently offer can be found on our Website www.sheermarkets.com

Manufacturer: Sheer Markets (Cyprus) Limited, authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC) with CIF license number 395/20 with registered office at 62 Athalassas, Strovolos, 2012, Nicosia, Cyprus. For more information call (+357) 25 25 40 43 or visit www.sheermarkets.com

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

3. What is the product?

A contract for difference (“CFD”) is a popular form of derivative trading. The price of the CFD is derived from the price of the underlying FX pair. CFD trading allows a trader to speculate on rising or falling prices in an underlying FX pair. Even though you will never own the underlying asset, your return or loss depends on movements in the price of the underlying and the size of your position. The first currency of the pair (e.g. EUR) is called the base currency, while the second currency (e.g. USD) is called the Quote currency. The price quoted on the platform, represents the price that one Euro is worth in US dollars. For any CFD two prices are quoted: (a) the higher price (‘Ask’), at which the investor can buy (‘go long’) and (b) the lower price (‘Bid’), at which the investor can sell (‘go short’). The difference between the two is the spread. The leverage embedded within CFDs has the potential to magnify your profits or losses.

4. Objective

The objective of a CFD on FX pair is to speculate on the price movement on rising or falling prices on the underlying currency pair without actually investing in or owning these currencies.

If you believe that the value of an FX pair is going to increase, you would buy a number of CFDs with the intention to later sell them when they are at a higher value. The difference between the buy price and your sell price, minus any relevant costs (see below for costs), equates to your profit. On the other hand, if you think that the price of an FX pair is going to decrease, you would sell a number of CFDs with the intention to later buy it back at a lower value. However, if the FX pair moves in the opposite direction and your position is closed, you would owe us the amount of any loss you have incurred (subject to our negative balance protection).

There is no recommended holding period and it is up to the discretion of each trader to determine the most appropriate holding period based on their own individual strategy and objectives. Finally, trading on margin can increase any losses or gains you make.

your profit or loss depends on how the market behaves and how long you hold the CFD. The stress scenario shows what you might get back during extreme market circumstances, when the market is very volatile.

| CFD on GBPUSD | | |
|--------------------------------|-------------------------------|-------------------------------------|
| Account Balance | Balance | 10,000 USD |
| Opening Price | O_Price | 1.26384 |
| Trade Size | Units | 50,000 |
| Notional Opening Value | Units* O_Price | 63,192 USD |
| Notional Closing Value | Units* C_Price | 50,000 * C_Price |
| Profit/Loss | Opening Value - Closing Value | (Units* O_Price) – (Units* C_Price) |
| Initial Margin % | IM% | 3.33% OF Notional Opening Value |
| Initial Margin Requirement | Notional Opening Value * IM% | 2,104.29 USD |
| Maintenance Margin % | MM% | 1.67% of Notional Opening Value |
| Maintenance Margin Requirement | Notional Value * MM% | 1,052.15 USD |

| BUY | C_Price | P&L (USD) | Return on Investment % | SELL | C_Price | P&L (USD) | Return on Investment % |
|--------------|---------|-----------|------------------------|--------------|---------|-----------|------------------------|
| Favourable | 1.2800 | +788.50 | +7.89% | Favourable | 1.2500 | +692.00 | +6.92% |
| Moderate | 1.2700 | +288.50 | +2.89% | Moderate | 1.2600 | +192.00 | +1.92% |
| Unfavourable | 1.2600 | -211.50 | -2.12% | Unfavourable | 1.2700 | -308.00 | -3.08% |
| Stress | 1.2400 | -1,211.50 | -12.12% | Stress | 1.2900 | -1,308.00 | -13.08% |

The figures shown above indicate intraday trading; thus, do not include the cost of positions held open overnight. If you have been sold this product by someone else or have a third party advising you about this product, these figures do not include any cost that you pay to them. The figures do not take into consideration personal tax situation, which may affect how much you get back.

7. What happens if the Company is unable to pay out?

The Company or its liquidity provider is unable to meet its financial obligations to you, this could cause you to lose the value of any position's you have with the Company. However, in such cases, you may be eligible for Compensation under the Investors' Compensation Fund (ICF). If you wish you may get more information on the ICF. The Company segregates your funds from its own money in accordance with the Cyprus CySEC Client Asset rules. The indicator shown above does not consider this protection.

8. What are the costs for CFDs on FX pair positions?

Before you begin to trade CFDs on FX pairs you should familiarise yourself with all one-off, ongoing, and incidental costs for which you will be liable. These charges will reduce any net profit or increase your losses. For more information, please visit our website.

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

There is no recommended holding period. You can open and close a CFD on an FX pair at any time during market hours.

10. Fees

You are advised to get an understanding of all the one-off costs, ongoing costs and commission regarding CFDs on Currency Pairs (foreign fxchange, forex or fx) which you are about trade. These charges will reduce any net profit or increase your losses. Please visit <https://www.sheermarkets.com/trading-conditions/fees/> for more information about fees.

11. How can I complain?

The Company has established and maintains a Complaints Handling Procedure. If you wish to submit a complaint you can submit in writing, by phone, fax or by email only at the contact details provided below:

- i. Postal Address: 12 Archiepiskopou Makariou III, Kristelina Tower Office 302, Mesa Geitonia 4000 (Attention to: Compliance Officer)
- ii. By phone: (+357) 25 25 40 43
- iii. By email: support@sheermarkets.com

12. Other relevant information

The information contained in this information document should be read in conjunction with other legal documentation available at www.sheermarkets.com