

KEY INFORMATION DOCUMENT CFD ON INDICES

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 an Index

This is a "Contract for Differences" ("CFDs") on Indices. The range of Indices 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 on a Commodity is derived from the price of the respective underlying commodity. CFD trading allows a trader to speculate on rising or falling prices in an underlying commodity. 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. 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 Indices is to speculate on the price movement on rising or falling prices on the underlying Index without actually investing in or owning the Index.

If you believe that the value of an Index 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 Index 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 Index 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).

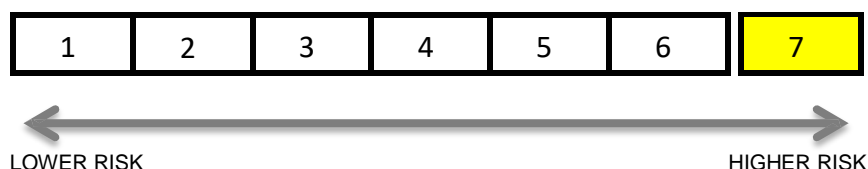
There is no recommended holding period and it is up to the discretion of each trader to determine the most appropriate holding period based on their own individual strategy and objectives. Finally, trading on margin can increase any losses or gains you make.

5. Indented Retail Investor

Trading CFDs on Indices is not appropriate for everyone. These products are most commonly intended for traders who have knowledge and/or experience to understand the characteristics of CFDs and risks associated with trading on margin; want to generally gain short term exposures to financial instruments/markets; are trading with money they can afford to lose; and have a high-risk tolerance.

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

Risk indicator



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.

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.

Trading risks are magnified by leverage. However, your trading balance cannot go beyond 50% of your total investment amount. Values may fluctuate significantly in times of high volatility or market/economic uncertainty; such swings are even more significant if your positions are leveraged and may also adversely affect your position. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you.

Be aware of currency risk. You may receive payments in a different currency; therefore the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Market conditions may mean that your CFD trade on a commodity is opened and closed at a less favorable price, which could significantly impact how much you get back. We may close your open CFD contract if you do not maintain the minimum margin that is required, or if you contravene market regulations. For more information on Margin we encourage you to review our Margin information.

Technical Risks. Since trading of the product depends on technology i.e. PC, mobile phone, internet etc., you are exposed to electronic disruptions, leading to delays in the opening and closing of a transaction, for which the Company shall not be held liable.

For more information on the Risks associated with trading the product, please see our Risk Disclosure.

Performance scenarios

There are several factors that may affect the performance of an instrument, which you should be aware of before you begin to trade, such as:

- Leverage risk/ Margin risk
- Risk of loss of entire capital invested
- Credit risk

- Political / country risk
- Foreign exchange risk
- Market risk / Market disruption risk
- Counterparty risk
- Online trading platform and IT risk
- Conflicts of interest

The scenarios presented below demonstrate how your investment could perform in various market circumstances and should not be considered as exact indicators or recommendations. Any different types of charges that may apply to your account are also excluded from the scenarios. Hence, your account performance (i.e. potential profit or loss) will vary depending on various factors, for example how long you hold your position(s).

CFD on Index		FRANCE40	
Opening Price	P	4.910	points
Lot Size	LS	10	units
Margin Percentage	MP	5%	Leverage (1:20)
Margin Requirement	$MR=P \times LS \times MP$	2.455	EUR
Notional Value of the trade	$NV=MR/MP$	Profit & Loss calculation	EUR (variable currency)
Account Currency		EUR	

LONG Performance Scenario	Account Performance	Price Change	Profit/Loss	SHORT Performance Scenario	Account Performance	Price Change	Profit/Loss
Favourable	+ 5 %	+ 245,50	+ 2.455 EUR	Favourable	+ 5 %	- 245,50	+ 2.455 EUR
Moderate	+ 1 %	+ 49,10	+ 491 EUR	Moderate	+ 1 %	- 49,10	+ 491 EUR
Unfavourable	- 2 %	- 98,2	- 982 EUR	Unfavourable	- 2 %	+ 98,2	- 982 EUR
Stress	- 3 %	- 147,3	- 1.473 EUR	Stress	- 3 %	+ 147,3 -	- 1.473 EUR

Note: The above scenarios do not take into account overnight holding costs or commissions; neither the situation where the CIF may not be able to pay you. 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.

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 Indices positions?

Before you begin to trade CFDs on Stocks 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 Index 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 Indices 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) 25861400
- iii. By email: compliance@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