

PURPOSE

This document provides you with key information about this investment product. 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.

RISK ALERT

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

PRODUCT

This is a 'Contract for Differences' ("CFDs") on Equity. The equity (also known as stock or shares) we currently offer as CFDs can be found on our Website [here](#). This document was last updated in May 2019.

MANUFACTURER

Skilling Limited, formerly Finovel Cyprus Ltd, authorised and regulated by the Cyprus Securities and Exchange Commission, CIF License Number 357/18 (the "Company"), and Company Registration Number: 373524 with situated at 2nd Floor, Office 21, Athalassas 62, Strovolos 2012, Nicosia, Cyprus. For more information please call 00357 - 22276710 or visit: www.skilling.com

WHAT IS THIS PRODUCT?

WHAT ARE CFDs?

CFDs are contracts between the two parties, to pay the difference between the opening and closing price of the underlying asset.

Please note that CFDs are leveraged products. The open positions are rolled over and charged a daily swap fee at the end of the day. Margin trading requires you to understand the underlying risk of the asset because you receive exposure to large profits if the price moves in your favor, you risk extensive losses if the price moves against you. When you fail to deposit additional funds to maintain the margin requirement as a result of a negative price movement may cause the CFD position to be auto-closed. This will result when your remaining account equity falls below the maintenance margin requirement.

TYPE

The product enables you to have exposure to fluctuations related to the underlying equity **without physically owning it**. CFDs on equity are considered as a type of Contract for Differences (CFD) which 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. Shares/ equity represent units into which a company's capital is divided for investment and ownership purposes, such as Apple and Lloyds shares.

HOW DOES CFDs ON SHARES WORK?

When you enter into any order to Buy or Sell a CFD on one of our trading platforms, you trade with us as our counterparty. We are your Principal to each trade that you enter. Therefore, if your trade is profitable, we lose. If your trade is loss making, we earn a profit. Our profits or losses may be reduced by the level of hedging we may undertake to contain our trading risk. For example – if you enter into a Buy trade for 1 share on APPLE when the underlying price of APPLE share is USD 200, we will ask you to place a margin with us to enable you to trade. If the margin is 20% (5:1 Leverage), this means that as a minimum you will need to place USD 40.00 with us. If the price of APPLE share goes to USD 216, you will profit USD 16.00, minus any relevant costs. If it reduces to USD 180.00, you will lose USD 20.00, plus any relevant costs.

OBJECTIVES

The objective of trading CFDs on equity allows you to speculate on rising or falling prices in the underlying equity, by gaining exposure to the underlying equity.

You receive indirect exposure to the underlying instrument without owning it. By trading with us, you receive exposure to the performance of the underlying asset, but without physical ownership or other rights to such underlying asset. This product is appropriate only for speculative investment purposes. Shares/ equity represent the real value of one's stake in an investment.

TERM

CFDs on equities 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 make. This initial margin will be returned when the position is closed.

RETAIL INVESTORS SUITABLE TO TRADE ON CFDs?

Trading in this product is highly risky and will not be appropriate for everyone. It is suitable for investors 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 CAN I TRADE?

With your account you can trade CFDs in the equity indicated [here](#).

RISK AND REWARD PROFILE

The primary advantage of CFDs over equity options is their pricing simplicity and the range of underlying instruments. For example, option pricing incorporates the time premium that decays as it nears expiration; whereas CFDs only reflect the price of the underlying security. Because CFDs

do not have an expiration date, there is no premium to decay. You can expect the following benefits: 1) a cost-effective way to gain exposure to equity market, which is highly liquid and easily traded, 2) a highly capital efficient way to participate in equity, 3) sell (short) CFDs, and benefit from a downward price movement, 4) the pricing of CFDs is transparent, 5) Wholesale interest rates are used in pricing and trading these instruments even for a retail investor, 6) Direct market access (DMA), which means that you can trade directly on the exchange without Skilling Limited adding to the ruling bid/offer spread price; 6) subscribe to live prices; 7) Set up watchlists to track equity; and 8) Set up alerts to new opportunities that match your trading strategy;

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 and market risk. Investors require margin to trade CFDs, subjecting the investor to margin calls should the value of the portfolio falls below the 50% of the total initial margin required to trade CFDs then we must close one or more of the investor's open positions. 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 moves 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 (SRI) 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. Poor market conditions are very likely to impact the capacity of Skilling Limited to pay you.

Lower risk
Typically, lower rewards

1	2	3	4	5	6	7
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Higher risk
Typically, higher rewards

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.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. Between 74-89% of retail investor accounts lose money when trading CFDs. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

PERFORMANCE SCENARIOS

This key information document is not specific to a particular product. It applies to a CFD on any equity that we offer on our platform. However, each CFD you enter into with us is specific to you and your choices. You will be responsible for choosing the underlying equity; when you open and close your position; the size of your position (and therefore the margin required, subject to margin limits for equity CFDs for Retail clients); and whether to use any risk management tools we offer such as stop loss orders.

The below table illustrates how your investment could perform (i.e. potential profit and loss) under different scenarios. *

Performance Scenarios:		A Client with \$2,000 in their account trades this product with 20% margin requirement (Individual Tax liability is the responsibility of the client):
Stress Scenario:	Open Price: 200 Close Price: 100	A Client Buys 10 shares of APPLE at USD 200.00. Price moves down to 100 so the client closed the position and loses $10 \times (\$100 - \$200) = -\text{USD } 1000$ So the client has made a loss of 40%. New equity is \$2000-\$1000=\$1000.
Unfavourable Scenario:	Open Price: 200 Close Price: 150	A Client Buys 10 shares of APPLE at USD 200.00. Price moves down to 150 so client closed the position and loses $10 \times (\$150 - \$200) = -\text{USD } 500$ So the client has made a loss of 20%. New equity is \$2000-\$500=\$1500.
Moderate Scenario:	Open Price: 200 Close Price: 180	A Client Buys 10 shares of APPLE at USD 200.00. Price moves down to 180 so the client closed the position and loses $10 \times (\$180 - \$200) = -\text{USD } 200$ So the client has made a loss of 8%. New equity is \$2000-\$160=\$1800.
Favourable Scenario:	Open Price: 200 Close Price: 210	A Client Buys 10 shares of APPLE at USD 200. Price moves up to 210 so the client closed the position and makes: $10 \times (\$210 - \$200) = \text{USD } 100$ So the client has made a profit of 4%. New equity is \$2000+\$100=\$2100.

Overnight holding costs or commissions are not included

There are a few types of trading risk which you should be aware of before trading. Factors which affect the product's performance include but are not limited to:

- Leverage and Margin risk,
- Market risk,
- Market disruption risk,
- Online trading platform and IT risk,
- Conflicts of interest,
- Currency risk,
- Foreign exchange,
- Unregulated market risk,
- Counterparty risk,

The above-mentioned risks are non-exhaustive. Regarding currency risk, it is possible to receive payments in a currency which is different to the base currency of your account, so the final return you will receive depends on the exchange rate between the two currencies. This risk is not considered in the indicator mentioned above. Trading risks are magnified by leverage. In times of high volatility or market/economic uncertainty, values may fluctuate significantly. Such fluctuations are even more significant in case of leveraged positions and may adversely affect your positions. In the event of default, your positions may be closed out. You should carefully consider whether trading in leveraged products, such as CFDs, is appropriate for you. For more information on leverage and the Company's Risk Disclosure Policy please visit the Company's website [here](#).

Please ensure you fully understand the risks and take care to manage your exposure. It is important to ensure that you are comfortable with the level of risk your chosen instruments carry. If you are unsure of how to invest, a financial adviser may help you to make appropriate choices.

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

CFDs have no minimum and/or recommended holding period. You can open and close a CFD at any time during market hours. Skilling Limited may close your position without asking your prior consent if there is no sufficient margin in your account. You can make a withdrawal of available funds on your account at any time.

WHAT ARE THE COSTS?

You are advised to get an understanding of all the one-off costs, ongoing costs and commission regarding CFDs on equity which you are about trade. These charges will reduce any net profit or increase your losses. Please visit our website for more information on [associated costs and charges](#).

The table below indicates the minimum costs for a standard account type to trade CFDs on Equity: Monetary fees based on a round transaction (open and close) of total nominal value of \$1,000,000 on Apple CFD*

THIS TABLE PROVIDES THE DIFFERENT TYPES OF COSTS* FOR CFDS ON EQUITY				
		Percentage Cost	Monetary Cost	
One-off costs	Spreads	0.370%	\$1042	Spread is the difference between the Bid price (selling price) and the Ask price (buying price) and reflects, in part, the spreads of the underlying instrument being traded on.
	Commission	0%	-	The fee charged for the service of facilitating the transaction, subject to the minimum fee.
	Currency conversion rates	0%	-	The currency conversion rate is based on real-time market rates as presented on trading platform.
Ongoing costs	Overnight Swaps	0%	\$140.9	We charge you with overnight fees for facilitating you to maintain an open Buy position on Apple CFD. Please read more information here .
		0%	\$75.4	We charge you with overnight fees for facilitating you to maintain an open Sell position on Apple CFDs. Please read more information here .
Incidental costs	Dividend	0%	-	We credit you 85% of the dividend value on open Buy positions (15% is deducted due to tax purposes)
		0%	-	We charge you 100% of the dividend value on open Buy positions

ACCESS TO YOUR INVESTMENT

- You can view your account online anytime by logging onto our secure website.
- You can buy and sell CFDs on an Index during market hours.
- Depending on your bank, the transfer can take up to two (2) days.
- A sum of all holding costs will be credited to or debited from your account as applicable and will be visible within account history on the platform

TAX CONSIDERATIONS

As a trader, all profits are deemed as taxable income. You are then taxed on profits at your marginal tax rate. Skilling Limited does not provide yearly tax statements or any information about tax. For further tax considerations, please consult your financial adviser or tax consultant.

WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY OUT?

If Skilling is unable to meet its financial obligations to you, you may lose the value of your investment with Skilling Limited. However, Skilling Limited 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. For more information, please read our [Business Terms and Conditions](#).

HOW CAN I COMPLAIN?

If you have a complaint about the product or the conduct of manufacturer or the distribution and sale of the product, then you should contact the Compliance Department at Skilling Limited by email compliance@skilling.com or by post '62 Athalassas Avenue, 2nd Floor, 2012 Strovolos, Nicosia', in writing as shown in our [Complaint Handling Policy](#). If you are not satisfied with our final response to your complaint, then you can contact the [Financial Ombudsman of the Republic of Cyprus](#) as well as inform the Cyprus Securities and Exchange Commission ("CySEC") [here](#).

OTHER RELEVANT INFORMATION

Further information with regards to this product can be found on our website. You should ensure that you read the Terms of Business, Leverage Policy, Order Execution Policy, Conflicts of Interest Policy, Risk Disclosure Policy and Privacy Policy displayed in the legal section of our website [here](#). Such information is also available on request.