

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.



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

Product

NAGA Interest CFD – The manufacturer of this product is Naga Markets Limited (“NAGA”) (www.nagamarkets.eu), a company registered in the Republic of Cyprus and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) with Licence No. 204/13.

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What is this product?

Type

This is a ‘Contract for Difference’ (“CFD”). It allows you an indirect (also described as ‘synthetic’) exposure to an underlying product/benchmark. You will have no direct interest in the underlying product/benchmark. Accordingly, you can make gains or suffer losses as a result of price or value movements in relation to the underlying product benchmark to which you have indirect exposure.

Objectives

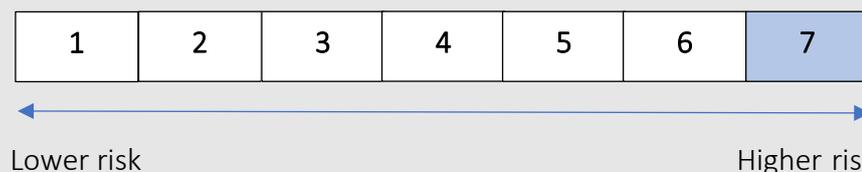
The NAGA Interest CFD offers you a way to potentially benefit from global interest differentials, i.e. between the European Central Bank (ECB) and the US Federal Reserve Bank (FED). The current interest rates of both ECB and FED allow NAGA to offer this product with a current price performance of 2% p.a. Your return depends on the interest rate paid on the NAGA Interest CFD, the size of your position and the number of days the position will remain open. This is a ‘long only’ product, and the difference between the buy price and your subsequent sell price would equate to your profit. Trading on this product does not involve leverage.

Intended retail investor

The provision of this product is subject to NAGA’s own product governance policy and is available to clients who meet specific characteristics. This product would most commonly be used by persons who want to generally gain short term exposures to financial instruments/markets; are trading with funds they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; and understand the risks involved.

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

Risk Indicator



The 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 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, as poor market conditions may impact our capacity to pay you. This risk is not considered in the indicator shown above. NAGA provides Negative

Balance Protection to its clients, meaning that they will never be in a position to lose more funds than the amounts invested with NAGA. In the event the interest rate differentials diminish in the future, the price performance of the NAGA Interest CFD will be lower but will remain positive, as allocations will be adjusted accordingly, as much as possible. Specifically, if performance of both FED and ECB rates become negative, only then performance becomes negative. Similarly, if both rates are above 2%, performance rises above 2%. Where both rates are positive but less than 2%, performance will be equal to the higher rate. NAGA will allocate funds to both EURO and USD, thus maintaining the 2% rate. NAGA will inform its clients of any rate change. NAGA Interest CFD is not listed on any trading venue, and therefore, the prices and other conditions are set by NAGA. The product can be purchased/sold only with NAGA, and is not transferable to any other provider/third party. If you have multiple positions with NAGA, your risk may be cumulative and not limited to one position. The offering of the NAGA Interest CFD will be re-evaluated annually.

Performance Scenarios

The below scenarios illustrate how your investment could perform:

Example 1:

Number of CFDs bought	10	
Price	100	
Annual Rate %	2.00%	
Days position kept open	365	
Initial position value	1000	10×100
Profit	20.00	$10 \times (100 \times 2\% \times 365/365)$
Closing position value	1020.00	$10 \times (100 \times 2\% \times 365/365) + 1000$

Example 2:

Number of CFDs bought	7	
Price	102	
Annual Rate %	2.50%	
Days position kept open	150	
Initial position value	714	7×102
Profit	7.33	$7 \times (102 \times 2.50\% \times 150/365)$
Closing position value	721.33	$7 \times (102 \times 2.50\% \times 150/365) + 714$

Example 3:

Number of CFDs bought	5	
Price	101.13	
Annual Rate %	1.25%	
Days position kept open	700	
Initial position value	505.65	5×101.13
Profit	12.12	$5 \times (101.13 \times 1.25\% \times 700/365)$
Closing position value	517.77	$5 \times (101.13 \times 1.25\% \times 700/365) + 505.65$

The above scenarios present an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. The scenarios represent how your investment would perform in extreme circumstances, and it does not take into account the situation where we are unable to pay you. Buying this product allows you to speculate on underlying movements. The figures shown include all the costs of the product itself. This product however, has no costs, no

commissions, nor overnight swaps. The figures do not take into account your personal and local tax rate scheme, which may also affect your return.

What happens if Naga Markets Ltd is unable to pay you?

In the event of default of NAGA due to insolvency, you may lose the value of your investment. NAGA contributes to the Investors Compensation Fund of Clients (ICF – the “Fund”), which provides compensation for retail investors should NAGA declares is in default. Any compensation provided to you by the Fund shall not exceed twenty thousand euro (20,000€) per retail client. Full details are available on the CySEC’s website: <https://www.cysec.gov.cy/en-GB/complaints/tae/>

What are the costs?

This product does not include any costs, commission charges or overnight swaps.

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

This product does not have a minimum recommended holding period. Provided that NAGA is open for trading you can enter and exist positions at any time, for as long as NAGA keeps this product available.

How can I complain?

You are entitled to lodge a complaint at any time and free of charge at complaints@nagamarkets.com or post at NAGA’s website specified above. If you are not satisfied with NAGA’s final response to your complaint, you may contact the Financial Ombudsman Service. Please read our Complaints Policy available on our website for further detailed information.

Other relevant information

Please read our Terms and Policies available at <https://nagamarkets.eu/legal-documentation/> which contain important information regarding your investment account which should be read in conjunction with this document.