KEY INFORMATION DOCUMENT: CFDs ON EQUITIES

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, costs, risks and rewards of this product and to help you compare it with other products.

PRODUCT

The Manufacturer of this product is NAGA Markets Ltd. Contact us on +357 2504 1410 for more information. NAGA Markets Ltd is under the supervision of the Cyprus Securities and Exchange Commission. This Key Information Document was published on 14th February 2018.

ALERT

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

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 or financial instrument (for example, to a security, commodity or index). You will have no direct interest in the underlying product/financial instrument. Accordingly, you can make gains or suffer losses as a result of price or value movements in relation to the underlying product or financial instrument to which you have the indirect exposure.

OBJECTIVES

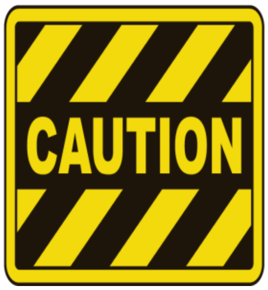
The objective of trading a CFD is to gain exposure to movements related to a financial product, benchmark or instrument without owning it. Your return depends on the size of the performance (or movement) of the underlying instrument and the size of your position. For example, if you believe the value of a Share is going to increase, you would buy CFDs ("going long"), with the intention to later sell them when they are at a higher value. The difference between the buy price and your subsequent sell price would equate to your profit, minus any relevant costs (detailed below). If you think the value of a Share is going to decrease, you would sell CFDs ("going short") at a specific value, expecting to later buy them back at a lower value than you previously agreed to sell them for, resulting in NAGA Markets paying you the difference, minus any relevant costs (detailed below). However, if the underlying instrument moves in the opposite direction, and your position is closed, you would owe NAGA Markets the amount of loss you have incurred (together with any costs). This product is commonly traded on margin. Margin refers to the use of a small amount of capital to support an investment of a larger exposure. Please note that margin trading requires extra caution, because whilst you can realise large profits if the price moves in your favour, you risk extensive losses if the price moves against you. More information about margin trading can be found on our website, www.nagamarkets.eu.

INTENDED RETAIL INVESTOR

Trading in this product will not be appropriate for everyone. The product would most commonly be utilised by persons who want to generally gain short term exposures to financial instruments/markets; are using (trading with) money which they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; and understand the impact of and risks associated with margin trading.

TERM
CFDs on Equities are execution only products and generally therefore have no fixed or suggested maturity date. It is up to you to open and close your position, however your position will only be kept open to the extent that you have available margin.

WHAT ARE THE RISKS?



RISK LEVEL

1 2 3 4 5 6 **7**

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 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. Be aware of currency risk. You may receive payments in a different currency, so 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. In some circumstances you may be required to make further payments to pay for losses. Trading risks are magnified by leverage – the total loss you may incur may significantly exceed the amount invested. 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. As a result, Margin calls may be made quickly or frequently, and in the event of default, your positions may be closed out. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you.

PERFORMANCE SCENARIOS
There are various types of trading risk, including leverage risk, which you should be aware of before beginning to trade. Information on factors that affect the performance of this product include, but are not limited to:

• Leverage risk • Risk of unlimited loss • Margin risk • Foreign exchange risk • Market risk	• Unregulated market risk • Market disruption risk • Counterparty risk • Online trading platform and IT risk • Conflicts of interest

TRADING EXAMPLES: CFDS ON EQUITY

LONG (BUY) POSITION

This is an example of buying CFDs on a Single Stock to take a long position and making a profit because the market moves in your favour. The market price for shares in "Company XYZ" on the relevant Exchange is currently trading at $5.50/5.60. You think that "Company XYZ's" shares are undervalued and will increase so you decide to buy 1,000 CFDs at $5.60 each. This position therefore gives you an exposure to the stock of $5600 (Price x number of CFDs). The position requires an Initial Margin of 20% ($1,120).

One month later (30 days), shares in company XYZ have increased and are now selling at $6.30. You decide to realise your gain by closing out your CFD position. The amount of profit you have made, before adjustments and tax, on the Transaction is $700 (difference between 6.30 and 5.60 x 1,000 = $700).

ADJUSTMENTS

Company XYC paid a dividend of 10 cents per share while your position was open. Therefore, you are entitled to a positive dividend adjustment of $100 (1,000 x 10 cents) (this amount is posted to your Account).

Share CFDs are subject to a commission charge (we also call it a Transaction Fee) on the opening and closing Transactions (based on the Opening Value). The standard NAGA Market charge is 0.20% of notional amount. In this example, the Transaction Fee would be charged on each transaction as follows:

0.20% X 5600 = $11.2

Since you hold a long share CFD position, interest costs are charged (that is, the Finance Charge) and are calculated on your positions by applying the applicable CFD Base Rate to the value of the position. In this example, for instance if the applicable rate is 0.12 points, then the overnight interest charge per day is then calculated as follows:

1,000 X $(-0,12) X 0.01 =-1.20

TRANSACTION DETAILS

CFD ON STOCK OF COMPANY XYZ (USD)	**OPEN**	**CLOSE**
Direction	Buy	Sell
Number of CFDs	1000	1000
Contract Price	5.60	6.30
Value	5600	6300
Commission	0.20%	-

PROFIT/LOSS CALCULATION		
Gross Profit/Loss	+700	(6300- 5600)
Dividend	+100	(0.1 USD x 1000)
Commission	-11.20	(0.20% x 5600)
O/N Financing	-36	(1.20 USD x 30 days)

Net Profit/Loss	**+752.80**	**(before tax)**

SHORT (SELL) POSITION

This is an example of selling CFDs on a Single Stock to take a short position and incurring a loss because the market moves against you. The market price for shares in “Company XYZ” on the relevant Exchange is currently trading at $30/30.50. You think that price of the underlying stock (“Company XYZ”) will weaken so you decide to sell (short) 500 CFDs at $30. This position therefore gives you an exposure to the stock of $15,000 (Price x number of CFDs). The position requires an Initial Margin of 20% ($3,000).

The price of the Underlying Instrument moves upwards over the next 10 days to a price of $35.00 for each CFD. As a result, if you decide to close your position you will incur a $2,500 gross loss on this Transaction (500 x $35.00)-(500 x $30.00) = ($2,500).

ADJUSTMENTS

Share CFDs are subject to a commission charge (we also call it a Transaction Fee) on the opening and closing Transactions (based on the Opening Value). The standard NAGA Market charge is 0.20% of notional amount. In this example, the Transaction Fee would be charged on each transaction as follows:

0.20% X 15,000 = $30

Since you hold a long share CFD position, interest costs are charged (that is, the Finance Charge) and are calculated on your positions by applying the applicable CFD Base Rate to the value of the position. In this example, for instance if the applicable rate is 0.15 points, then the overnight interest charge per day is then calculated as follows:

500 X $(-0.15) X 0.01 = $0.75

TRANSACTION DETAILS

CFD ON STOCK OF COMPANY XYZ (USD)	**OPEN**	**CLOSE**
Direction	Sell	Buy
Number of CFDs	500	500
Contract Price	30	35
Value	15,000	17,500
Commission	0.20%	-

PROFIT/LOSS CALCULATION		
Gross Profit/Loss	-2,500	(12,500.00 - 14,000.00)
Dividend	0.00	None
Commission	-30.00	(0.20% X 15,000 USD)
O/N Financing	-7.50	(0.75 USD x 10 days)

Net Profit/Loss	**-2.537.50**	**(before tax)**

WHAT HAPPENS IF NAGA MARKETS IS UNABLE TO PAY OUT?
NAGA Markets Ltd is a fully accredited Cyprus Investment Firm and is a member of the Investor Compensation Fund ('ICF'). In the unlikely event that NAGA Markets is declared bankrupt, the ICF covers cash deposits up to EUR 20,000. In the event, therefore, that NAGA Markets is unable to return the assets held in safe-custody, administered or managed, the ICF as a rule covers losses of up to EUR 20,000 per investor.

WHAT ARE THE COSTS?
Before you begin to trade CFDs on Equities, 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, at www.nagamarkets.eu.

One-off costs	Commission	The fee charged for the service of carrying out the transaction.
	Currency Conversion Fee	The fee charged for converting realised profit/loss from the instrument currency to the account currency.
Ongoing costs	Overnight Financing	If you hold a long or a short position open after the market close, you will be subject to an Overnight Financing charge.
Incidental costs	–	–

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?
CFDs on Indices have no recommended holding period. Provided that NAGA Markets is open for trading you can enter and exit positions at any time.

HOW CAN I COMPLAIN?
If you, as a client or a prospective client of NAGA Markets, have raised a question or an issue with NAGA Markets without receiving a satisfactory answer you may file a complaint with NAGA Markets as per below:

Attn: NAGA Markets Ltd (ex Hanseatic Brokerhouse Global Markets), Sp. Kyprianou 27, M. Geitonia, 4003 Limassol, Cyprus.
Or by e-mail to support@nagamarkets.com

If you are not satisfied with the response to your complaint, you may file a complaint directly with The Cyprus Securities and Exchange Commission: info@cysec.gov.cy

OTHER RELEVANT INFORMATION
Please refer to our website for any other information.