



Key Information Document

Equity (Shares) CFDs

Purpose

This document provides key information about this investment product. It is not marketing material and it does not constitute as investment advice. The Key Information Document is required by law to assist in understanding the nature of; risks, costs, potential gain and losses of this product and better assist to compare with other financial products.

Product

Product name: Equity (Shares) CFDs

Distributor: Offered by Goldenburg Group Limited (the “Company”), a company registered in Cyprus with registration number HE 328474 and authorised by Cyprus Securities and Exchange Commission (“CySEC”), with Licence Number 242/14.

Alert

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

What is this product?

Type

Equity CFDs are a leveraged contract, offered by the Company on a bilateral execution basis. It allows the investor to obtain an indirect exposure to an underlying asset such as a Stock.

This means the investor will never own the underlying asset but instead be able to make gains or incur losses because of price movements in the underlying asset. The investor has the option to either BUY the Equity CFD to benefit from rising prices in the underlying market, or to SELL the Equity CFD to profit from the falling prices. The price of the Equity CFD is derived from the price of the underlying market price. This product also includes Dividends (DVD) based on the underlying assets performance which may be in the form of a credit or debit.

Example

If an investor has opened a BUY position and the price of the underlying asset rises, the value of the Equity CFD will increase - at the end of the contract the Company will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if an investor opened a SELL position and the price of the underlying asset rises, the value of the Equity CFD will be increased – at the end of the contract the investor will pay the Company the difference between the closing value of the contract and the opening value of the contract. The leverage embedded within all Equity CFDs has the effect of magnifying both profits and losses. Cash Dividends may be a credit or debit depending whether the investor speculated a BUY or SELL position of the Equity Share CFD based on the published underlying equity Dividends amount.

Objectives

The aim of the Equity CFDs is to allow an investor to take advantage from leveraged exposure to the movement in the value of the underlying market/asset (up or down), without the need to BUY the underlying Equity. The exposure is leveraged because the Equity CFDs only requires a small percentage of the notional value of the contract to be put down in advance as initial margin and is one of the key features of trading Equity CFDs.

| Investor | CFD | Margin % | Leverage | Market Price | Quotation | Initial Margin | Direction | Market Direction | Profit/Loss |
|----------|-----|----------|----------|--------------|----------------|----------------|-----------|------------------|-------------|
| A | 1 | 20% | 5:1 | 200 | 20 % x 200 x 1 | 40 | BUY | UP | Profit |
| B | 1 | 20% | 5:1 | 150 | 20 % x 150 x 1 | 30 | SELL | UP | Loss |
| C | 1 | 20% | 5:1 | 350 | 20 % x 350 x 1 | 70 | BUY | DOWN | Loss |



Margin as of 1st August 2018:

Equity CFDs 20%

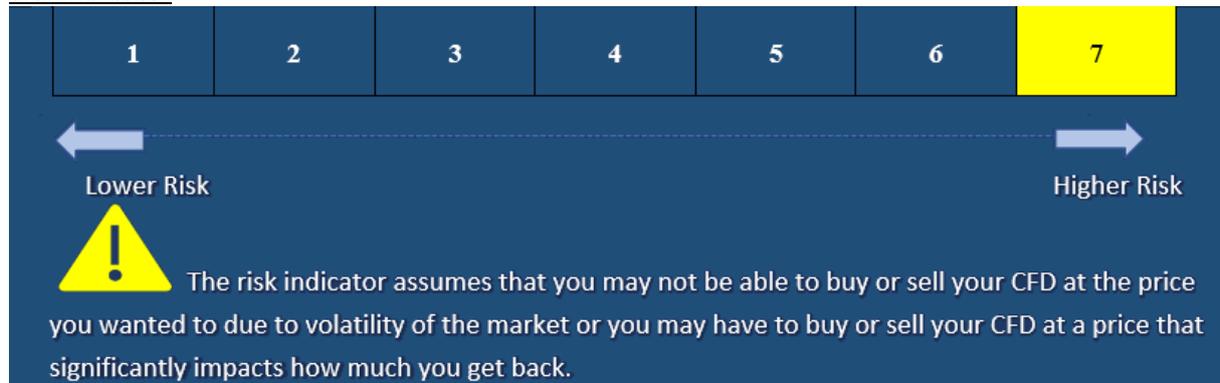
When free margin drops due to price movement in the opposite direction of the trades, one must either fund the account in-order to keep margin level above stop out (automatic system close of open order) level which is at 50% of margin level, or close position(s) to avoid being stopped out, i.e., automatic close of open positions. Margin Call notification is communicated through a durable medium when margin level falls below 100%. With Equity CFD's there is no ownership of the underlying equity, but corporate actions apply, such as Dividends and Stock Splits. If a Stock is delisted from the primary exchange where it is listed, the position that is open for that Stock will then close automatically at the last tradeable price available based on the underlying market price and investors are notified via a durable medium.

The Company also retains the ability to unilaterally terminate any Equity CFD contract where it deems that the terms of the contract have been breached.

Intended Retail Investor

Equity CFDs are available for investors who have knowledge of the financial markets, and they are expected to have trading experience with leveraged products in the past. It is anticipated that the investors will have an understanding on how the prices of Equity CFDs are derived, the key concepts of margin and how leverage works. Moreover, they must understand that trading leveraged products might cause a loss of their entire invested capital and they must have the ability to bear losses.

Risk Indicator



The Risk indicator represents the risk involved in these products compared to other products. It illustrates the possibilities of how a products movement can lead to financial loss for the investor. The Risk indicator has been set to the Highest level. The rate indicates the potential losses from the product's future performance. Equity CFDs are leveraged and risky products that can cause losses. Losses cannot exceed the amount invested (negative balance protection), however you may lose your entire invested capital. There is no capital protection against market risk, credit risk and/or liquidity risk.

Currency Risk

It is possible to buy or sell Equity CFDs in a different currency from the currency of your account. The final pay-out that you might receive depends on the exchange rate between the two currencies.

Performance Scenarios

The below scenarios were demonstrated to provide information on how an investment may perform. This allows for comparisons between other products scenarios in order to identify which product is more suitable. The scenarios presented are an approximate future performance based on evidence from the past performance on how the value of this investment differs and are not an exact indicator. The outcome will be based on the market performance and how long the position is held open on the Equity CFD. The stress scenario indicates the possible outcome in extreme market circumstances. **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 return. Actual returns could be lower.

Scenario

| CFD | |
|--|-----|
| Opening price: P | 400 |
| Trade Size (per CFD): TS | 5 |
| Margin %: M | 20% |
| Contract Size: K | 1 |
| Margin Requirement (€): $MR = P \times TS \times M \times K$ | 400 |
| Notional Value of the trade (€): $TN = MR/M$ | 400 |

Table 1

| BUY Performance Scenario | Closing price (incl. spread) | Price change | Profit/ Loss | SELL Performance Scenario | Closing price (incl. spread) | Price change | Profit/ Loss |
|---------------------------------------|---------------------------------|-----------------|-----------------|--|---------------------------------|-----------------|-----------------|
| Favourable | 406 € | 1.5 % | 30,00 € | Favourable | 394 € | 1,50 % | 30.00 € |
| Moderate | 403 € | 0.75 % | 15.00 € | Moderate | 397 € | 0,75 % | 15.00 € |
| Unfavourable | 394 € | -1.5 % | -30,00 € | Unfavourable | 406 € | -1,50 % | -30.00 € |
| Stress | 380 € | -5 % | -100 € | Stress | 420 € | 5 % | -100 € |

What happens if the Company is unable to pay-out?

The Company segregates its clients' funds from its own, in accordance with the Law 87(I)2017 and the related Directive of the Cyprus Securities and Exchange Commission for the Safeguarding of financial instruments and funds belonging to clients. Moreover, the Company participates in the Investor Compensation Fund (ICF). The total payable compensation to each covered Client of the Company may not exceed the amount of twenty thousand Euros (20 000 €). Please refer to Cyprus and Securities and Exchange Commission website <http://www.cysec.gov.cy>

What are the Costs?

| | | |
|------------------------------------|---------------------------|--|
| One-off Entry or exit Costs | Spread | The Difference between the Sell Price and Buy price |
| | Minimum Commission | The minimum fee charged for the service carrying out the transaction (it refers to stocks ONLY) |
| On-going Costs | Swaps | If a BUY or SELL position is open after market close, that open position will be subject to a Swap Fee |

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

Equity CFDs have no recommended holding period. Provided that the Company is open for trading the investor may BUY and/or SELL the Equity CFD provided that the underlying exchange is available for trading. Please review all the financial instruments and their trading hours at www.goldenburggroup.eu

How can I complain?

For complete details of the complaint process please read '[Complaint Procedure for Clients](#)'

Other Relevant information: We encourage you to read the Terms of Business, Risk Disclosure and Warning Notice and the Best Interest and Order Execution Policy. You can find the mentioned documents, under the section [Regulation](#). This information is also available upon request.