

Key Information Document – CFD on Shares

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.

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Limited
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Supervised Authority: Cyprus Securities and Exchange Commission
19 Diagorou Str., 1097, Nicosia, Cyprus.



You are about to purchase a complex product which is difficult to understand and carry high risk of loss of your entire invested capital.

Product Description

Contracts For Differences (CFDs), are complex financial products in accordance with the applicable law. They are traded on an 'over-the-counter' ('OTC') basis and not through a regulated market. CFDs, which are agreements to exchange the difference in value of a particular underlying instrument between the time at which the agreement is entered into and the time at which it is closed, allowing the investors to replicate the economic effect of trading in particular currencies or other asset classes without requiring actual ownership. An investor has the choice to buy the CFD to benefit from rising equity prices; or to sell the CFD to benefit from falling equity prices. When trading CFDs there is no physical exchange of assets; therefore, financial settlement results from the difference at the time the position is closed and the price of the underlying asset (formulated by the Counterparty) at the time the position is opened. The most common underlying assets include stocks, commodities, currencies and market indices.

The amount of any profit or loss made on a CFD trade will be determined by:

- The difference between the opening trade price and the price when you close the trade;
- The units traded;
- Any adjustments in respect of the CFD, for example where a dividend is paid on an underlying share/index;
- Any holding costs or commissions relating to the CFD;
- The tick or pip value of the traded instrument;

In order for a position to be opened an investor should have sufficient funds in the trading account to cover the required margin for that position. The margin required for the various CFDs can be found on our website and/or platform. When a position is closed, the investor gains the difference between the market value of the underlying asset at the time of closing the position, if:

- When holding a long position (buying a CFD), the price at the time the position closes, is higher than the price at the time the position was opened, which is automatically converted to the trading account currency; or
- When holding a short position (selling a CFD), the price, at the time the position closes, is lower than the price at the time the position was opened, which is automatically converted to the trading account currency.

To close an open 'buy' or 'long' CFD you sell it, and to close an open 'short' or 'sold' CFD you buy it. With most CFDs you can hold the position for as long as you like which may be for less than a day, or for months. The Closing Level will be the last available price at or prior to the close or the applicable official closing quotation or value in the relevant underlying market as reported in the platform; minus any commission or spread which is applied to the CFD when it is closed.

Leverage and Margin

CFDs are leveraged financial instruments, which allow the investor to trade on higher exposures on the underlying assets compared to the invested amounts. With CFDs, you only have to put in a portion of the market value of the underlying instrument when making a trade. The leverage usually is specified as a ratio, such as 1:25, 1:50, 1:100 or 1:200. This means that you can trade with amounts proportionally higher than you could invest in a particular CFD. Initial margin is the amount required by the investor to open a certain position in CFDs and is expressed as a percentage of the nominal exposure. The lower the percentage the higher the financial leverage.

Examples: An investor wishes to purchase **100 shares of General Electric CFD SHARE** at price **USD 158.97** with margin requirement 20% (which is equal to 1:5 leverage) for that instrument. This requires for the investor to place a margin of 100 contracts * market price USD 158.97 / leverage (5) = **USD 3,179.40**

Or equivalently: 100 contracts * market price USD 158.97 * margin requirement (20%) = **USD 3,179.40**

This margin requirement is then converted to Account Currency.

Intended retail investor

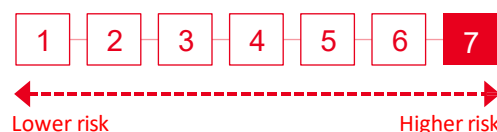
Trading in this product will not be appropriate for everyone. This product would commonly be used by persons who want to generally gain short term exposures to financial instruments/markets; are using (trading with) money which they can afford to lose; have a diversified investment and savings portfolio;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

Environmental, Social and Governance (ESG Sustainable Factors) / Sustainability

CFD products are non-sustainable/ESG instruments. With the acceptance of the Terms and Conditions and all legal documentation of Account Opening Application, the client understands and accepts to trade with a non-sustainable/ESG instruments.

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

Risk Indicator



The risk indicator assumes that you may not be able to buy or sell your CFD at the price you wanted to due to volatility of the market or you may have to buy or sell your CFD at a price that significantly impacts how much you will get in return.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It is shown how you may experience losses, due to volatility of the CFDs. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance of the product at a very high level.

CFDs are traded on margin and carry a risk of losing all your invested capital. Before deciding to trade on margin products you should consider your investment objectives, risk tolerance and your level of experience on these products. Trading with high leverage level can either be against you or for you. You should be aware of all risks associated with regards to products that are traded on margin and seek independent advice, if necessary.

Account Performance Scenarios

The scenarios below demonstrate how your investment could perform in different events. The results below should not be considered as exact indicators or recommendations whatsoever and does not include difference types of charges that may apply to your account. Therefore, your account performance (positive or negative) depends on various factors, for instance how long you hold your position(s).

Market developments in the future cannot be accurately predicted. The scenarios shown below are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

Equity CFD		General Electric
Opening Price	P	158.97
Trade size (per CFD)	TS	100 Shares
Margin percentage	M	20% (Leverage 1:5)
Margin Required	$MR=P \times TS \times M$	USD 3,179.40
Notional value of the trade	$TN=MR/M = P \times TS$	Profit & Loss calculation: USD
Account Currency		USD

Long Performance Scenario	Account Performance	Closing Price	Profit/Loss (Account currency)	Short Performance Scenario	Account Performance	Closing price	Profit/Loss (Account Currency)
Favorable	3%	163.74	477	Favorable	3%	154.20	477
Moderate	1.50%	161.35	238	Moderate	1.50%	156.59	238
Unfavorable	-2.80%	154.52	-445	Unfavorable	-2.80%	163.42	-445
Stress	-5%	151.02	-795	Stress	-5%	166.92	-795

Trading Charges/Fees

Before you start trading CFDs on a Stock you should familiarize yourself with all costs associated with trading. These charges will reduce any net profit or increase your losses. More information can be found in our website and/or platform.

One-off costs Or Exit cost	Spread	The difference between the buy and sell price is called the spread. This cost is realized each time you open and close a trade.
	Commissions	This is a commission charged when you buy or sell a CFD on an Equity based on the notional value of the trade. An investor opened and closed 1 Contract of Apple Share. For example, the Company charges 0.10% from the volume as commissions, per completed Lot (1 Contract = 1 lot), open and close a 1 Lot for Apple Share. Therefore, the investor will be charged every time with 0.10% from the volume per completed Lot. The calculation used is 'Trade Volume in base currency converted in USD X 0.10% (to be converted in the account currency)
	Currency conversion	This is the cost associated with converting realized profits and losses, as well as any fees and charges that are denominated in a currency other than the base currency of your trading account.
On-going costs	Financing costs (swaps)	Swaps are charges, which are incurred when a trade is kept overnight, to reflect the cost of funding your trade. Both long ('buy') and short ('sell') positions are subject to daily swap, which may be in favor of the client or against him/her depending on the instrument. Example: A Client, has a long position of 1 Share of Apple stock and his account is denominated in USD. The swap rates are -4 for short position and -4 for long position in percentage terms. Therefore, the calculation will be as follows: The calculation form for swaps is as follows Swap: price * lots * long or short / 100 / 360 = 158.97*1*(-4)/100/360 = -0.018
Additional Cost	Performance Fee	Non-Applicable

As an **illustration of the associated costs** over a period, consider the following scenario:

Estimated Holding Period: 2 Weeks Investment: \$1000 in the instruments.

Total Costs (spread + commission + financing cost): -\$50 Impact on Return: -0.5%

Investors considering CFDs on Instruments should be aware that these instruments are not suitable for long-term investments. If you decide to hold a CFD position open for an extended period, you will incur associated costs, including Financing costs. Please note that Financing costs will be tripled for positions held over Wednesday nights or on other specific days, depending on the instrument.

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

There is no recommended holding period, no cancellation period and therefore no cancellation fees. You can open and close a CFD at any time during market hours.

What happens if SM Capital is unable to pay out?

The Company is a member of the Investor Compensation Fund (the "Fund") for Customers of Cypriot Investment Firms (CIFs) and other Investment Firms (IFs) which are not credit institutions. The object of the Fund is to secure the claims of the covered customers against the members of the Fund (i.e. the Company) by the payment of compensation for their claims arising from the covered services provided by its members, so long as failure by the Company to fulfill its obligations has been ascertained. If the Company cannot meet its obligation regarding clients' funds, your investment is covered by the Investor Compensation Fund which covers eligible investments up to EUR20,000 per person. Please refer to the Company's prospectus regarding [Investor Compensation Fund](#) for further details.

How can I complain?

The retail investors may submit their complaints or grievances in relation to CFDs, using the "[Complaint Form](#)", to the company. The "Complaint Form" may be submitted to the Company by (bo@doofinancial.eu), or by post (155 Ayias Fylaxeos, Ersi Court, 2nd Floor, Limassol Cyprus,3083). For further details, the investors should refer to Complaint Handling Form in the Company's website.

Other relevant information

The retail investors must ensure that they have read and understood the [Terms and Conditions](#) and all the other [Legal Documents](#) of the Company such as the Risk Disclosure, Order Execution Policy, Conflicts of Interest Policy, Privacy Notice and etc displayed in the legal section of our website. These are important documents for you to read and understand prior to opening an account and start trading with the Company.