

HYCM (Europe) Ltd
Key Investor Document - CFDs

Table of Contents

Forex.....3

Commodities.....7

Indices11

Stocks15

This document provides you with key investor information about this 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 investing in this product. Investors are advised to read this document, so they can make an informed decision about whether to invest. HYCM identifies this product as complex and as such it may be difficult for investors with no experience and/or no knowledge to understand.

Forex

These products are manufactured by HYCM (Europe) Ltd, CIF: 259/14, which is a subsidiary of the Henyep Group. Call + 25245750 for more information.

These products are distributed by HYCM (Europe) Ltd, CIF: 259/14, which is a subsidiary of the Henyep Group.

Date of Production: 03.01.2018

Date of Last Update: 17.08.2018



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

What is this product

Type

A Contract For Difference (CFD) is an Over the Counter (OTC) leveraged financial instrument which value is determined based on the value of an underlying asset. The leverage effect is a typical characteristic of a CFD.

FX is always traded in currency pairs (e.g. EUR/USD) and involves the simultaneous buying and selling of two different currencies. The first listed currency of a currency pair is called the "Base" currency and the second currency the "Quote" currency. The profit and loss will accrue in the "Quote" currency.

FX CFDs must always be settled financially, and cannot be settled by the physical or deliverable settlement of the currencies.

Objectives

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying FX Pair (whether that be upwards or downwards). The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be put down upfront as initial margin.

For every point the price of the product moves in the investor's favour, a gain multiples of the number of CFD units bought or sold are achieved. At every point the price moves against the investor, a loss will be incurred. For example, if you believe the EUR will increase in value in relation to the USD you would buy EURUSD (this is also known as "going long"), with the intention to later sell the pair when it is at a higher value. The difference between the price at which you buy and the price at which you subsequently sell equates to your profit, minus any relevant costs (detailed below). If you think the EUR will weaken in value in relation to the USD, you would sell EURUSD (this is also known as "going short") at a specific value, expecting to later buy the pair back at a lower price than you previously agreed to sell it for, resulting in us

paying you the difference, minus any relevant costs (detailed below).

However, in either circumstance if the market moves in the opposite direction and your position is closed, either by you or as a result of a margin call (detailed below), you would owe us the amount of any loss you have incurred together with any costs.

To open a position and to protect us against any losses you incur, you are required to deposit a percentage of the total value of the contract in your account. This is referred to as the margin requirement. Trading on margin can enhance any losses or profits you make.

Intendend Retail Investor

Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who:

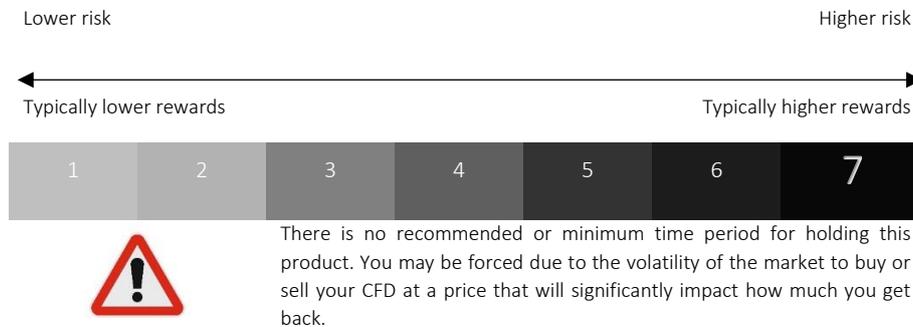
- i. have risk tolerance;
- ii. are trading with money they can afford to lose;
- iii. have experience with, and are comfortable trading on, financial markets and, separately, understand the impact of and risks associated with margin trading; and
- iv. their investment goals vary according to their needs from generally, speculation and short term exposure to the financial market/instrument to investment and long term exposure.

Prior to commencing trading in CFDs it is prudent to consult with this **Key Investor Document (KID)** and evaluate whether trading in CFDs is appropriate for you. Clients that are risk intolerant should not invest in the respective target market as these instruments are risky and bear significant amount of risk.

Risk and Reward

HYCM offers distributes CFDs via its trading platform. Example of the offerings relate to FX Pairs mentioned below:

Asset Classes	Example of Instruments in the specific asset class
Forex	EURUSD; USDJPY; GBPUSD; USDCHF; AUDUSD; USDCAD; NZDUSD; USDHUF; USDMXN; USDPLN; USDNOK; USDZAR; USDINR; USDSEK; USDTRY; USDRUB; AUDCAD; AUDJPY; AUDNZD; AUDCHF; GBPAUD; GBPCAD; GBPJPY; GBPNZD; GBPCHF; CADJPY; CADCHF; EURAUD; EURGBP; EURCAD; EURJPY; EURNZD; EURCHF; EURTRY; NZDCAD; NZDJPY; NZDCHF; CHFJPY;



The risk and reward indicator

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. Products that appear in a lower category does not guarantee a risk-free investment. These products are in this category because it can take higher risks in search of higher rewards and their price may rise and fall accordingly.

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 leveraged products that, due to underlying market movement, can generate losses rapidly. There is no capital protection against market risk, credit risk or liquidity risk.

Be aware of currency risk. It is possible to buy or sell CFDs in a currency which is different to the base currency of your account. The final return you may get depends on the exchange rate between the two currencies. For example, maintaining a trading account in US Dollars and trading in CFDs that are not priced in US Dollars are subject to foreign exchange risks and may be affected in fluctuations of the underlying currencies. This risk is not considered in the indicator shown above.

In some circumstances you may need to make additional payments to compensate for losses. If the margin in your account

falls below 50% of the total initial margin required for all the CFDs in your account then we must close one or more of your positions. You could, therefore, lose your entire investment. However, the total loss you may incur will never exceed your invested amount. The Company offers **Negative Balance Protection** to its Clients, meaning that they will never be in a position to lose more funds than the amounts invested with the Company. In case the account balance of a Client enters in the negative territory for example due to a gap in the market, this amount will not be requested by the Company, and the Client's account will be brought back to zero (0).

A CFD product does not protect against any adverse future market performance. Spreads may vary and the underlying market may be subject to high volatility that can generate losses rapidly. Using leverage you gain larger exposure to a financial market by tying up only a relatively small amount of your capital. Trading with leverage can magnify both the profits and losses you make in relation to the investment.

Market conditions may mean that your CFD trade on an FX pair is closed at a less favourable price, which could significantly impact how much you get back. We may close your open CFD contract if you do not maintain the minimum margin that is required, or if you contravene market regulations. This process may be automated.

Costs

Before you begin to trade CFDs on FX pairs you should familiarize yourself with all costs for which you will be liable. These charges will reduce any net profit or increase your losses. Trading CFD on FX pairs incurs the following costs

This table shows the different types of cost categories and their meaning		
One-off Entry and Exit costs	Spread	The difference between the buy price ("offer price") and the sell price ("bid price") is called the spread. This cost is realised each time you open and close a trade. A fixed spread is offered in most circumstances. A dynamic spread is applicable to certain product offerings.
	Currency Conversion	Any cash, realised profit and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account and a currency conversion fee will be charged to your account.
	Commission	You may be charged a commission on each trade. For all types of CFDs offered, the commission is not incorporated into the quoted price and instead will be agreed with you before entering into

		any transaction and will be shown on the statement sent to you. In such an event, the Commissions will be charged to the Account. Commissions and charges may be changed from time to time without prior notice.
	Mark-Up (where applicable)	The prices on which you are trading may include a mark-up which is a charge on the spread as received from the liquidity/price provider
Ongoing costs	Rollover Charge	For every night that a position is held open, a rollover (swap) charge is applied. The rollover charge can be positive or negative depending on the direction of an investor's position and the applicable interest rate. The longer the position is held, the more rollover charges will accrue.
Other Costs	Dormant Fees	An account is considered dormant or inactive if there has been no activity for a continuous period of 90 days. These accounts will be charged an administration fee of US \$10.00 (or the equivalent value in the account base currency) every month until account activity resumes; the Account is closed; or if the account balance reaches zero (0).
	Withdraw Fees	Withdrawals via Wire Transfer of less than US\$300 are charged with a handling fee of US\$30. Please also note that the sending and correspondent bank may charge a fee according to their own fee structure.
	Deposit Fees	HYCM will not apply any charges for depositing funds into the Account. Depositing funds can be done either by credit card payment, bank transfer or using any other available payment options we offer online. However please note that when depositing via Wire Transfer, the sending and correspondent bank may charge a fee according to their own fee structure

Performance Scenario

Important Note: The performance scenarios represent general situations of changes in the prices of CFDs and the impact on the return of the client's investment in monetary terms. They are an estimate of future performance based on past evidence on how the value of this investment may vary, and are, by no means, an exact indicator. Any returns you receive depend on how the market performs and how long you hold the CFD for. The figures do not take into account, rollover charges, slippage effects, and/or your personal tax situation, which may also affect how much you get back. The stress scenario signifies what you may receive in extreme market circumstances and does not take into account a situation where we are not able to pay you.

Table 1 below shows the money you could potentially profit or lose under different scenarios. Each of the performance scenarios is based on an account with only one open position. However, each scenario will also be impacted by any other open position(s) you have with us. These underlying Forex offered for each CFD will have a material impact on the risk and return of your investment. The scenarios also assume you do not make any further deposits on your account to meet margin calls.

Forex

Name	Symbol	Min. Spread	Lot Size	Min. Trade Size	Min. Fluctuation	Value Per Tick	Margin Req.	Margin Curr.	Leverage
Euro Vs Us Dollar	EURUSD	1.8	100,000 EUR	1,000 EUR	0.00001 USD	1.00 USD	3.33%	EUR	1:30
EURUSD									
EURUSD Opening Price						P	1.1923		
Trade size						T S	100,000 EUR		
Margin %						M	3.33%		
Margin Requirement (USD)						MR = P x TS x M		\$3,970.36	
Notional value of the trade						TN = MR/M		\$119,230.00	

Table 1

LONG Performance Scenario	Closing Price	Price Change	Profit/Loss	SHORT Performance Scenario	Closing Price	Price Change	Profit/Loss
Favourable	1.2102	1.50%	\$1,788.45	Favourable	1.1744	-1.50%	\$1,788.45
Moderate	1.1983	0.50%	\$596.15	Moderate	1.1863	-0.50%	\$596.15
Unfavourable	1.1744	-1.50%	-\$1,788.45	Unfavourable	1.2102	1.50%	-\$1,788.45
Stress	1.1327	-5%	-\$5,961.50	Stress	1.2519	5%	-\$5,961.50

Practical Information

Jurisdictions

Investing in CFDs are not eligible for marketing and/or distribution in certain jurisdictions due to the Competent Authority's local regulations. HYCM will not direct or intend for distribution or use by, any person or entity that is a resident of or located within a jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject HYCM and/or its affiliates to any registration or licensing requirement within such jurisdiction.

What happens if HYCM is unable to pay out?

If HYCM is unable to meet its financial obligations to you, you may lose the value of your investment. However HYCM segregates all retail client funds from its own money in accordance with CySEC's Safeguarding of Clients Assets Rules. Further, HYCM is a member of the Investor Compensation Fund (ICF) for the Clients of CIFs, under the provision of Investment Services, the Exercise the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time. As such, in the event that HYCM becomes insolvent and is unable to pay out to its clients, retail clients may be eligible to compensation of up to 20,000 EUR.

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

There is no recommended holding period but CFDs are usually held for less than 24 hours. You can open and close a CFD on an FX Pair at any time during market hours. There is no cancellation period and therefore no cancellation fees. CFDs will expire when the investor chooses to exit the product or in the event the investor does not have available margin. The investor should monitor the product to determine when the appropriate time is to exit. They can close their contract at any time depending on

each product's trading specifications. Please remember, that holding a CFD on FX Pairs for a long term may incur substantial daily rollover charges.

Legal Documents

Investors must check Terms of Business and Legal Documents regularly, they can be updated them at any time without prior notice. Investors must agree to any changes if they wish to continue to use the services or features of the trading platform after the terms and conditions have been updated.

How can I complaint?

Under the law, you have the right to complain if you are dissatisfied about any aspect of a financial product or service. In the event of a complaint arising the Compliance department is responsible for the supervision of the complaints resolution process and can be contacted at the following address:

The Compliance Officer, HYCM (Europe) Ltd, Spyrou Kyprianou 47, the Noble Center, 4th Floor, Mesa Geitonia, Limassol, CY-4003 or by emailing: complaints@hycm.com. If you are not satisfied with our response to your complaint, you may refer the complaint to the Financial Ombudsman of the Republic of Cyprus. For more information please visit the Company's website to view the Complaints Handling Policy.

Applicable Language

Where you have been provided with a copy of the Key Investor Document in a language other than English, this is provided for informational purposes only. The English version of this KID is the governing version and shall prevail whenever there is any discrepancy between the English version and the other versions.

This document provides you with key investor information about this 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 investing in this product. Investors are advised to read this document, so they can make an informed decision about whether to invest. HYCM identifies this product as complex and as such it may be difficult for investors with no experience and/or no knowledge to understand.

Commodities

These products are manufactured by HYCM (Europe) Ltd, CIF: 259/14, which is a subsidiary of the Henyep Group. Call + 25245750 for more information.

These products are distributed by HYCM (Europe) Ltd, CIF: 259/14, which is a subsidiary of the Henyep Group.

Date of Production: 03.01.2018

Date of Last Update: 17.08.2018



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

What is this product

Type

A Contract For Difference (CFD) is an Over the Counter (OTC) leveraged financial instrument which value is determined based on the value of an underlying asset. The leverage effect is a typical characteristic of a CFD.

Objectives

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying commodity (whether that be upwards or downwards), without the need to actually buy, sell or otherwise transfer the physical commodity. The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be put down upfront as initial margin.

For every point the price of the product moves in the investor's favour, a gain multiples of the number of CFD units bought or sold are achieved. At every point the price moves against the investor, a loss will be incurred. For example, if you believe the value of OIL is going to increase, you would buy a number of CFDs (this is also known as "going long"), with the intention to later sell them when they are at a higher value. The difference between the price at which you buy and the price at which you subsequently sell equates to your profit, minus any relevant costs (detailed below). If you think the value of the OIL CFD is going to decrease, you would sell a number of CFDs (this is also known as "going short") at a specific value, expecting to later buy them back at a lower price than you previously agreed to sell them for, resulting in us paying you the difference, minus any relevant costs (detailed below). However, in either circumstance if the OIL CFD moves in the opposite direction and your position is closed, either by you

or as a result of a margin call (detailed below), you would owe us the amount of any loss you have incurred together with any costs.

To open a position and to protect us against any losses you incur, you are required to deposit a percentage of the total value of the contract in your account. This is referred to as the margin requirement. Trading on margin can enhance any losses or profits you make.

Intendend Retail Investor

Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who:

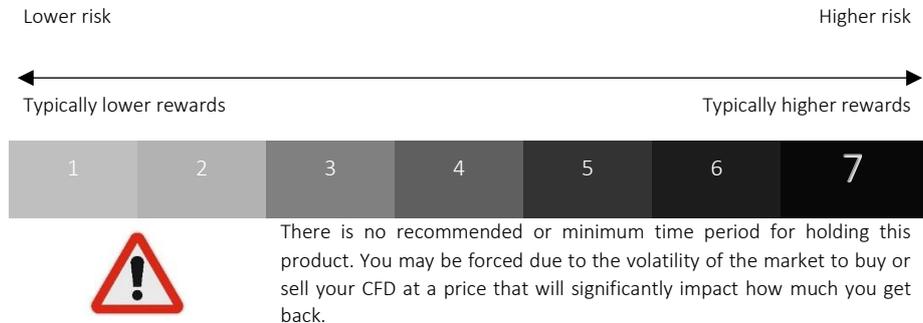
- v. have risk tolerance;
- vi. are trading with money they can afford to lose;
- vii. have experience with, and are comfortable trading on, financial markets and, separately, understand the impact of and risks associated with margin trading; and
- viii. their investment goals vary according to their needs from generally, speculation and short term exposure to the financial market/instrument to investment and long term exposure.

Prior to commencing trading in CFDs it is prudent to consult with this **Key Investor Document (KID)** and evaluate whether trading in CFDs is appropriate for you. Clients that are risk intolerant should not invest in the respective target market as these instruments are risky and bear significant amount of risk.

Risk and Reward

HYCM offers distributes CFDs via its trading platform. Example of the offerings relate to commodities mentioned below:

Asset Classes	Example of Instruments in the specific asset class
Commodities	XAUEUR; XAGEUR; GOLD; SILVER; COPPER; USOIL; BRENT; NATGAS; USCOC; USCOF; USSUG; USCOT



The risk and reward indicator

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. Products that appear in a lower category does not guarantee a risk-free investment. These products are in this category because it can take higher risks in search of higher rewards and their price may rise and fall accordingly.

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 leveraged products that, due to underlying market movement, can generate losses rapidly. There is no capital protection against market risk, credit risk or liquidity risk.

Be aware of currency risk. It is possible to buy or sell CFDs in a currency which is different to the base currency of your account. The final return you may get depends on the exchange rate between the two currencies. For example, maintaining a trading account in US Dollars and trading in CFDs that are not priced in US Dollars are subject to foreign exchange risks and may be affected in fluctuations of the underlying currencies. This risk is not considered in the indicator shown above.

In some circumstances you may need to make additional payments to compensate for losses. If the margin in your account

falls below 50% of the total initial margin required for all the CFDs in your account then we must close one or more of your positions. You could, therefore, lose your entire investment. However, the total loss you may incur will never exceed your invested amount. The Company offers **Negative Balance Protection** to its Clients, meaning that they will never be in a position to lose more funds than the amounts invested with the Company. In case the account balance of a Client enters in the negative territory for example due to a gap in the market, this amount will not be requested by the Company, and the Client's account will be brought back to zero (0).

A CFD product does not protect against any adverse future market performance. Spreads may vary and the underlying market may be subject to high volatility that can generate losses rapidly. Using leverage you gain larger exposure to a financial market by tying up only a relatively small amount of your capital. Trading with leverage can magnify both the profits and losses you make in relation to the investment.

Market conditions may mean that your CFD trade on a commodity is closed at a less favourable price, which could significantly impact how much you get back. We may close your open CFD contract if you do not maintain the minimum margin that is required, or if you contravene market regulations. This process may be automated.

Costs

Before you begin to trade CFDs on commodities you should familiarize yourself with all costs for which you will be liable. These charges will reduce any net profit or increase your losses. Trading CFD on a commodity incurs the following costs

This table shows the different types of cost categories and their meaning		
One-off Entry and Exit costs	Spread	The difference between the buy price ("offer price") and the sell price ("bid price") is called the spread. This cost is realised each time you open and close a trade. A fixed spread is offered in most circumstances. A dynamic spread is applicable to certain product offerings.
	Currency Conversion	Any cash, realised profit and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account and a currency conversion fee will be charged to your account.
	Commission	You may be charged a commission on each trade. For all types of CFDs offered, the commission is not incorporated into the quoted price and instead will be agreed with you before entering into any transaction and will be shown on the statement sent to you. In such an event, the

		Commissions will be charged to the Account. Commissions and charges may be changed from time to time without prior notice.
	Mark-Up (where applicable)	The prices on which you are trading may include a mark-up which is a charge on the spread as received from the liquidity/price provider
Ongoing costs	Rollover Charge	For every night that a position is held open, a rollover (swap) charge is applied. The rollover charge can be positive or negative depending on the direction of an investor's position and the applicable interest rate. The longer the position is held, the more rollover charges will accrue.
Other Costs	Dormant Fees	An account is considered dormant or inactive if there has been no activity for a continuous period of 90 days. These accounts will be charged an administration fee of US \$10.00 (or the equivalent value in the account base currency) every month until account activity resumes; the Account is closed; or if the account balance reaches zero (0).
	Withdraw Fees	Withdrawals via Wire Transfer of less than US\$300 are charged with a handling fee of US\$30. Please also note that the sending and correspondent bank may charge a fee according to their own fee structure.
	Deposit Fees	HYCM will not apply any charges for depositing funds into the Account. Depositing funds can be done either by credit card payment, bank transfer or using any other available payment options we offer online. However please note that when depositing via Wire Transfer, the sending and correspondent bank may charge a fee according to their own fee structure

Performance Scenario

Important Note: The performance scenarios represent general situations of changes in the prices of CFDs and the impact on the return of the client's investment in monetary terms. They are an estimate of future performance based on past evidence on how the value of this investment may vary, and are, by no means, an exact indicator. Any returns you receive depend on how the market performs and how long you hold the CFD for. The figures do not take into account, rollover charges, slippage effects, and/or your personal tax situation, which may also affect how much you get back. The stress scenario signifies what you may receive in extreme market circumstances and does not take into account a situation where we are not able to pay you.

Table 1 below shows the money you could potentially profit or lose under different scenarios. Each of the performance scenarios is based on an account with only one open position. However, each scenario will also be impacted by any other open position(s) you have with us. These underlying commodities offered for each CFD will have a material impact on the risk and return of your investment. The scenarios also assume you do not make any further deposits on your account to meet margin calls.

Commodities

Name	Symbol	Min. Spread	Lot Size	Min. Trade Size	Min. Fluctuation	Value Per Tick	Margin Req.	Margin Curr.	Leverage
Us Oil Cfd	USOILmmyy	4	1,000 BBL	10 BBL	0.01 USD	10.00 USD	10.00%	USD	1:10
US OIL CFD (held intraday)									
US OIL CFD Opening Price						P	61.8		
Trade size						T S	1,000 BBL		
Margin %						M	10.00%		
Margin Requirement (USD)						MR = P x TS x M	\$6,180.00		
Notional value of the trade						TN = MR/M	\$61,800.00		

Table 1

LONG Performance Scenario	Closing Price	Price Change	Profit/Loss	SHORT Performance Scenario	Closing Price	Price Change	Profit/Loss
Favourable	62.73	1.50%	\$930.00	Favourable	60.87	-1.50%	\$930.00
Moderate	62.11	0.50%	\$310.00	Moderate	61.49	-0.50%	\$310.00
Unfavourable	60.87	-1.50%	-\$930.00	Unfavourable	62.73	1.50%	-\$930.00
Stress	58.71	-5%	-\$3,090.00	Stress	64.89	5%	-\$3,090.00

Practical Information

Jurisdictions

Investing in CFDs are not eligible for marketing and/or distribution in certain jurisdictions due to the Competent Authority's local regulations. HYCM will not direct or intend for distribution or use by, any person or entity that is a resident of or located within a jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject HYCM and/or its affiliates to any registration or licensing requirement within such jurisdiction.

What happens if HYCM is unable to pay out?

If HYCM is unable to meet its financial obligations to you, you may lose the value of your investment. However HYCM segregates all retail client funds from its own money in accordance with CySEC's Safeguarding of Clients Assets Rules. Further, HYCM is a member of the Investor Compensation Fund (ICF) for the Clients of CIFs, under the provision of Investment Services, the Exercise the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time. As such, in the event that HYCM becomes insolvent and is unable to pay out to its clients, retail clients may be eligible to compensation of up to 20,000 EUR.

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

There is no recommended holding period but CFDs are usually held for less than 24 hours. You can open and close a CFD on a commodity at any time during market hours. There is no cancellation period and therefore no cancellation fees. CFDs will expire when the investor chooses to exit the product or in the event the investor does not have available margin. The investor should monitor the product to determine when the appropriate time is to exit. They can close their contract at any time

depending on each product's trading specifications. Please remember, that holding a CFD on a Commodity for a long term may incur substantial daily rollover charges.

Legal Documents

Investors must check Terms of Business and Legal Documents regularly, they can be updated them at any time without prior notice. Investors must agree to any changes if they wish to continue to use the services or features of the trading platform after the terms and conditions have been updated.

How can I complaint?

Under the law, you have the right to complain if you are dissatisfied about any aspect of a financial product or service. In the event of a complaint arising the Compliance department is responsible for the supervision of the complaints resolution process and can be contacted at the following address:

The Compliance Officer, HYCM (Europe) Ltd, Spyrou Kyprianou 47, the Noble Center, 4th Floor, Mesa Geitonia, Limassol, CY-4003 or by emailing: complaints@hycm.com. If you are not satisfied with our response to your complaint, you may refer the complaint to the Financial Ombudsman of the Republic of Cyprus. For more information please visit the Company's website to view the Complaints Handling Policy.

Applicable Language

Where you have been provided with a copy of the Key Investor Document in a language other than English, this is provided for informational purposes only. The English version of this KID is the governing version and shall prevail whenever there is any discrepancy between the English version and the other versions.

This document provides you with key investor information about this 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 investing in this product. Investors are advised to read this document, so they can make an informed decision about whether to invest. HYCM identifies this product as complex and as such it may be difficult for investors with no experience and/or no knowledge to understand.

Indices

These products are manufactured by HYCM (Europe) Ltd, CIF: 259/14, which is a subsidiary of the Henyep Group. Call + 25245750 for more information.

These products are distributed by HYCM (Europe) Ltd, CIF: 259/14, which is a subsidiary of the Henyep Group.

Date of Production: 03.01.2018

Date of Last Update: 17.08.2018



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

What is this product

Type

A Contract For Difference (CFD) is an Over the Counter (OTC) leveraged financial instrument, settled in cash, which value is determined based on the value of an underlying asset. The leverage effect is a typical characteristic of a CFD.

Objectives

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying index (whether that be upwards or downwards), without the need to actually buy, sell or otherwise transfer the underlying index. The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be put down upfront as initial margin.

For every point the price of the product moves in the investor's favour, a gain multiples of the number of CFD units bought or sold are achieved. At every point the price moves against the investor, a loss will be incurred. For example, if you believe the value of US 30 CFD is going to increase, you would buy the Index (this is also known as "going long"), with the intention to later sell it when they are at a higher value. The difference between the price at which you buy and the price at which you subsequently sell equates to your profit, minus any relevant costs (detailed below). If you think the value of US 30 CFD is going to decrease, you would sell the Index (this is also known as "going short") at a specific value, expecting to later buy it back at a lower price than you previously agreed to sell them for, resulting in us paying you the difference, minus any relevant costs (detailed below). However, in either circumstance if the US 30 CFD moves in the opposite direction and your position is closed, either by you or as a result

of a margin call (detailed below), you would owe us the amount of any loss you have incurred together with any costs.

To open a position and to protect us against any losses you incur, you are required to deposit a percentage of the total value of the contract in your account. This is referred to as the margin requirement. Trading on margin can enhance any losses or profits you make.

Intendend Retail Investor

Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who:

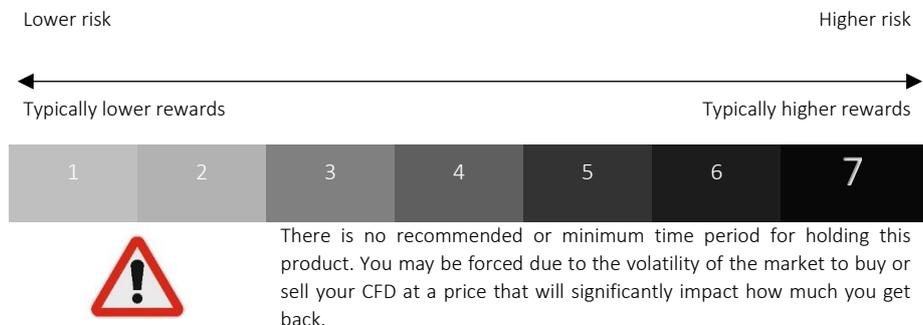
- i. have risk tolerance;
- ii. are trading with money they can afford to lose;
- iii. have experience with, and are comfortable trading on, financial markets and, separately, understand the impact of and risks associated with margin trading; and
- iv. their investment goals vary according to their needs from generally, speculation and short term exposure to the financial market/instrument to investment and long term exposure.

Prior to commencing trading in CFDs it is prudent to consult with this **Key Investor Document (KID)** and evaluate whether trading in CFDs is appropriate for you. Clients that are risk intolerant should not invest in the respective target market as these instruments are risky and bear significant amount of risk.

Risk and Reward

HYCM offers distributes CFDs via its trading platform. Example of the offerings relate to Indices mentioned below:

Asset Classes	Example of Instruments in the specific asset class
Indices	JPN225; US500; US100; US30; UK100; GER30; DE30; EUR50; FRA40; ITA40; SPA35; HK50; CNHI; CN300; SSE50; CNA50; IND50



The risk and reward indicator

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. Products that appear in a lower category does not guarantee a risk-free investment. These products are in this category because it can take higher risks in search of higher rewards and their price may rise and fall accordingly.

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 leveraged products that, due to underlying market movement, can generate losses rapidly. There is no capital protection against market risk, credit risk or liquidity risk.

Be aware of currency risk. It is possible to buy or sell CFDs in a currency which is different to the base currency of your account. The final return you may get depends on the exchange rate between the two currencies. For example, maintaining a trading account in US Dollars and trading in CFDs that are not priced in US Dollars are subject to foreign exchange risks and may be affected in fluctuations of the underlying currencies. This risk is not considered in the indicator shown above.

In some circumstances you may need to make additional payments to compensate for losses. If the margin in your account

falls below 50% of the total initial margin required for all the CFDs in your account then we must close one or more of your positions. You could, therefore, lose your entire investment. However, the total loss you may incur will never exceed your invested amount. The Company offers **Negative Balance Protection** to its Clients, meaning that they will never be in a position to lose more funds than the amounts invested with the Company. In case the account balance of a Client enters in the negative territory for example due to a gap in the market, this amount will not be requested by the Company, and the Client's account will be brought back to zero (0).

A CFD product does not protect against any adverse future market performance. Spreads may vary and the underlying market may be subject to high volatility that can generate losses rapidly. Using leverage you gain larger exposure to a financial market by tying up only a relatively small amount of your capital. Trading with leverage can magnify both the profits and losses you make in relation to the investment.

Market conditions may mean that your CFD trade on an Index is closed at a less favourable price, which could significantly impact how much you get back. We may close your open CFD contract if you do not maintain the minimum margin that is required, or if you contravene market regulations. This process may be automated.

Costs

Before you begin to trade CFDs on Indices you should familiarize yourself with all costs for which you will be liable. These charges will reduce any net profit or increase your losses. Trading CFD on an Index incurs the following costs

This table shows the different types of cost categories and their meaning		
One-off Entry and Exit costs	Spread	The difference between the buy price ("offer price") and the sell price ("bid price") is called the spread. This cost is realised each time you open and close a trade. A fixed spread is offered in most circumstances. A dynamic spread is applicable to certain product offerings.
	Currency Conversion	Any cash, realised profit and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account and a currency conversion fee will be charged to your account.
	Commission	You may be charged a commission on each trade. For all types of CFDs offered, the commission is not incorporated into the quoted price and instead will be agreed with you before entering into any transaction and will be shown on the statement sent to you. In such an event, the

		Commissions will be charged to the Account. Commissions and charges may be changed from time to time without prior notice.
	Mark-Up (where applicable)	The prices on which you are trading may include a mark-up which is a charge on the spread as received from the liquidity/price provider
Ongoing costs	Rollover Charge	For every night that a position is held open, a rollover (swap) charge is applied. The rollover charge can be positive or negative depending on the direction of an investor's position and the applicable interest rate. The longer the position is held, the more rollover charges will accrue.
Other Costs	Dormant Fees	An account is considered dormant or inactive if there has been no activity for a continuous period of 90 days. These accounts will be charged an administration fee of US \$10.00 (or the equivalent value in the account base currency) every month until account activity resumes; the Account is closed; or if the account balance reaches zero (0).
	Withdraw Fees	Withdrawals via Wire Transfer of less than US\$300 are charged with a handling fee of US\$30. Please also note that the sending and correspondent bank may charge a fee according to their own fee structure.
	Deposit Fees	HYCM will not apply any charges for depositing funds into the Account. Depositing funds can be done either by credit card payment, bank transfer or using any other available payment options we offer online. However please note that when depositing via Wire Transfer, the sending and correspondent bank may charge a fee according to their own fee structure

Performance Scenario

Important Note: The performance scenarios represent general situations of changes in the prices of CFDs and the impact on the return of the client's investment in monetary terms. They are an estimate of future performance based on past evidence on how the value of this investment may vary, and are, by no means, an exact indicator. Any returns you receive depend on how the market performs and how long you hold the CFD for. The figures do not take into account, rollover charges, slippage effects, and/or your personal tax situation, which may also affect how much you get back. The stress scenario signifies what you may receive in extreme market circumstances and does not take into account a situation where we are not able to pay you.

Table 1 below shows the money you could potentially profit or lose under different scenarios. Each of the performance scenarios is based on an account with only one open position. However, each scenario will also be impacted by any other open position(s) you have with us. These underlying indices offered for each CFD will have a material impact on the risk and return of your investment. The scenarios also assume you do not make any further deposits on your account to meet margin calls.

Indices

Name	Symbol	Min. Spread	Lot Size	Min. Trade Size	Min. Fluctuation	Value Per Tick	Margin Req.	Margin Curr.	Leverage
US 30 Index CFD	US30mmy	4	\$5 PER INDEX POINT	\$0.05 PER INDEX POINT	1 INDEX POINT	5.00 USD	5.00%	USD	1:20
US 30 INDEX CFD (held intraday)									
US 30 INDEX CFD Opening Price						P	25314		
Trade size						T S	\$5 per IDX POINT		
Margin %						M	5.00%		
Margin Requirement (USD)						$MR = P \times TS \times M$	\$6,328.50		
Notional value of the trade						$TN = MR/M$	\$126,570.00		

Table 1

LONG Performance Scenario	Closing Price	Price Change	Profit/Loss	SHORT Performance Scenario	Closing Price	Price Change	Profit/Loss
Favourable	25693.71	1.50%	\$1,898.55	Favourable	24934.29	-1.50%	\$1,898.55
Moderate	25440.57	0.50%	\$632.85	Moderate	25187.43	-0.50%	\$632.85
Unfavourable	24934.29	-1.50%	-\$1,898.55	Unfavourable	25693.71	1.50%	-\$1,898.55
Stress	24048.30	-5%	-\$6,328.50	Stress	26579.70	5%	-\$6,328.50

Practical Information

Jurisdictions

Investing in CFDs are not eligible for marketing and/or distribution in certain jurisdictions due to the Competent Authority's local regulations. HYCM will not direct or intend for distribution or use by, any person or entity that is a resident of or located within a jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject HYCM and/or its affiliates to any registration or licensing requirement within such jurisdiction.

What happens if HYCM is unable to pay out?

If HYCM is unable to meet its financial obligations to you, you may lose the value of your investment. However HYCM segregates all retail client funds from its own money in accordance with CySEC's Safeguarding of Clients Assets Rules. Further, HYCM is a member of the Investor Compensation Fund (ICF) for the Clients of CIFs, under the provision of Investment Services, the Exercise the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time. As such, in the event that HYCM becomes insolvent and is unable to pay out to its clients, retail clients may be eligible to compensation of up to 20,000 EUR.

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

There is no recommended holding period but CFDs are usually held for less than 24 hours. You can open and close a CFD on a Index at any time during market hours. There is no cancellation period and therefore no cancellation fees. CFDs will expire when the investor chooses to exit the product or in the event the investor does not have available margin. The investor should monitor the product to determine when the appropriate time is to exit. They can close their contract at any time depending on

each product's trading specifications. Please remember, that holding a CFD on an index for a long term may incur substantial daily rollover charges.

Legal Documents

Investors must check Terms of Business and Legal Documents regularly, they can be updated them at any time without prior notice. Investors must agree to any changes if they wish to continue to use the services or features of the trading platform after the terms and conditions have been updated.

How can I complaint?

Under the law, you have the right to complain if you are dissatisfied about any aspect of a financial product or service. In the event of a complaint arising the Compliance department is responsible for the supervision of the complaints resolution process and can be contacted at the following address:

The Compliance Officer, HYCM (Europe) Ltd, Spyrou Kyprianou 47, the Noble Center, 4th Floor, Mesa Geitonia, Limassol, CY-4003 or by emailing: complaints@hycm.com. If you are not satisfied with our response to your complaint, you may refer the complaint to the Financial Ombudsman of the Republic of Cyprus. For more information please visit the Company's website to view the Complaints Handling Policy.

Applicable Language

Where you have been provided with a copy of the Key Investor Document in a language other than English, this is provided for informational purposes only. The English version of this KID is the governing version and shall prevail whenever there is any discrepancy between the English version and the other versions.

This document provides you with key investor information about this 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 investing in this product. Investors are advised to read this document, so they can make an informed decision about whether to invest. HYCM identifies this product as complex and as such it may be difficult for investors with no experience and/or no knowledge to understand.

Stocks

These products are manufactured by HYCM (Europe) Ltd, CIF: 259/14, which is a subsidiary of the Henyep Group. Call + 25245750 for more information.

These products are distributed by HYCM (Europe) Ltd, CIF: 259/14, which is a subsidiary of the Henyep Group.

Date of Production: 03.01.2018

Date of Last Update: 17.08.2018



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

What is this product

Type

A Contract For Difference (CFD) is an Over the Counter (OTC) leveraged financial instrument, settled in cash, which value is determined based on the value of an underlying asset. The leverage effect is a typical characteristic of a CFD.

Objectives

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying stock (whether that be upwards or downwards), without the need to actually buy, sell or otherwise transfer the underlying stock. The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be put down upfront as initial margin.

For every point the price of the product moves in the investor's favour, a gain multiples of the number of CFD units bought or sold are achieved. At every point the price moves against the investor, a loss will be incurred. For example, if you believe the value of Facebook CFD is going to increase, you would buy the Stock (this is also known as "going long"), with the intention to later sell it when they are at a higher value. The difference between the price at which you buy and the price at which you subsequently sell equates to your profit, minus any relevant costs (detailed below). If you think the value of Facebook CFD is going to decrease, you would sell the Stock (this is also known as "going short") at a specific value, expecting to later buy it back at a lower price than you previously agreed to sell them for, resulting in us paying you the difference, minus any relevant costs (detailed below). However, in either circumstance if the Facebook CFD moves in the opposite direction and your position is closed, either by you

or as a result of a margin call (detailed below), you would owe us the amount of any loss you have incurred together with any costs.

To open a position and to protect us against any losses you incur, you are required to deposit a percentage of the total value of the contract in your account. This is referred to as the margin requirement. Trading on margin can enhance any losses or profits you make.

Intendend Retail Investor

Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who:

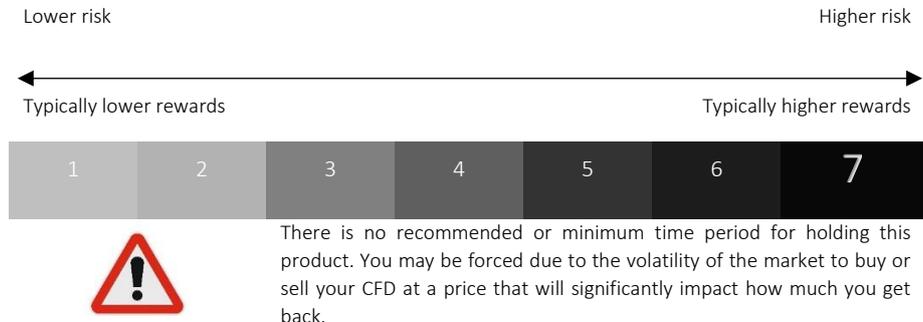
- i. have risk tolerance;
- ii. are trading with money they can afford to lose;
- iii. have experience with, and are comfortable trading on, financial markets and, separately, understand the impact of and risks associated with margin trading; and
- iv. their investment goals vary according to their needs from generally, speculation and short term exposure to the financial market/instrument to investment and long term exposure.

Prior to commencing trading in CFDs it is prudent to consult with this **Key Investor Document (KID)** and evaluate whether trading in CFDs is appropriate for you. Clients that are risk intolerant should not invest in the respective target market as these instruments are risky and bear significant amount of risk.

Risk and Reward

HYCM offers distributes CFDs via its trading platform. Example of the offerings relate to Stocks mentioned below:

Asset Classes	Example of Instruments in the specific asset class
Stocks	CFD_AAPL; CFD_AMZN; CFD_BABA; CFD_FB; CFD_GOOG; CFD_JD; CFD_MSFT; CFD_TSLA; CFD_TW CFD_VIPS



The risk and reward indicator

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. Products that appear in a lower category does not guarantee a risk-free investment. These products are in this category because it can take higher risks in search of higher rewards and their price may rise and fall accordingly.

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 leveraged products that, due to underlying market movement, can generate losses rapidly. There is no capital protection against market risk, credit risk or liquidity risk.

Be aware of currency risk. It is possible to buy or sell CFDs in a currency which is different to the base currency of your account. The final return you may get depends on the exchange rate between the two currencies. For example, maintaining a trading account in US Dollars and trading in CFDs that are not priced in US Dollars are subject to foreign exchange risks and may be affected in fluctuations of the underlying currencies. This risk is not considered in the indicator shown above.

In some circumstances you may need to make additional payments to compensate for losses. If the margin in your account

falls below 50% of the total initial margin required for all the CFDs in your account then we must close one or more of your positions. You could, therefore, lose your entire investment. However, the total loss you may incur will never exceed your invested amount. The Company offers **Negative Balance Protection** to its Clients, meaning that they will never be in a position to lose more funds than the amounts invested with the Company. In case the account balance of a Client enters in the negative territory for example due to a gap in the market, this amount will not be requested by the Company, and the Client’s account will be brought back to zero (0).

A CFD product does not protect against any adverse future market performance. Spreads may vary and the underlying market may be subject to high volatility that can generate losses rapidly. Using leverage you gain larger exposure to a financial market by tying up only a relatively small amount of your capital. Trading with leverage can magnify both the profits and losses you make in relation to the investment.

Market conditions may mean that your CFD trade on a Stock is closed at a less favourable price, which could significantly impact how much you get back. We may close your open CFD contract if you do not maintain the minimum margin that is required, or if you contravene market regulations. This process may be automated.

Costs

Before you begin to trade CFDs on Stocks you should familiarize yourself with all costs for which you will be liable. These charges will reduce any net profit or increase your losses. Trading CFD on Stocks incurs the following costs

This table shows the different types of cost categories and their meaning		
One-off Entry and Exit costs	Spread	The difference between the buy price (“offer price”) and the sell price (“bid price”) is called the spread. This cost is realised each time you open and close a trade. A fixed spread is offered in most circumstances. A dynamic spread is applicable to certain product offerings.
	Currency Conversion	Any cash, realised profit and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account and a currency conversion fee will be charged to your account.
	Commission	You may be charged a commission on each trade. For all types of CFDs offered, the commission is not incorporated into the quoted price and instead will be agreed with you before entering into any transaction and will be shown on the statement sent to you. In such an event, the

		Commissions will be charged to the Account. Commissions and charges may be changed from time to time without prior notice.
	Mark-Up (where applicable)	The prices on which you are trading may include a mark-up which is a charge on the spread as received from the liquidity/price provider
Ongoing costs	Rollover Charge	For every night that a position is held open, a rollover (swap) charge is applied. The rollover charge can be positive or negative depending on the direction of an investor's position and the applicable interest rate. The longer the position is held, the more rollover charges will accrue.
Other Costs	Dormant Fees	An account is considered dormant or inactive if there has been no activity for a continuous period of 90 days. These accounts will be charged an administration fee of US \$10.00 (or the equivalent value in the account base currency) every month until account activity resumes; the Account is closed; or if the account balance reaches zero (0).
	Withdraw Fees	Withdrawals via Wire Transfer of less than US\$300 are charged with a handling fee of US\$30. Please also note that the sending and correspondent bank may charge a fee according to their own fee structure.
	Deposit Fees	HYCM will not apply any charges for depositing funds into the Account. Depositing funds can be done either by credit card payment, bank transfer or using any other available payment options we offer online. However please note that when depositing via Wire Transfer, the sending and correspondent bank may charge a fee according to their own fee structure
	Dividend Fees	Investors may receive a dividend adjustment as applicable if an ex-dividend date occurs for an underlying security with respect to which the investor has an open CFD. If the investor has any open long positions, a dividend adjustment will be credited to their Account subject to a service charge of 10% (ten percent). If an investor has an open short position, the dividend adjustment will be debited in full from the Account.

Performance Scenario

Important Note: The performance scenarios represent general situations of changes in the prices of CFDs and the impact on the return of the client's investment in monetary terms. They are an estimate of future performance based on past evidence on how the value of this investment may vary, and are, by no means, an exact indicator. Any returns you receive depend on how the market performs and how long you hold the CFD for. The figures do not take into account, rollover charges, slippage effects, and/or your personal tax situation, which may also affect how much you get back. The stress scenario signifies what you may receive in extreme market circumstances and does not take into account a situation where we are not able to pay you.

Table 1 below shows the money you could potentially profit or lose under different scenarios. Each of the performance scenarios is based on an account with only one open position. However, each scenario will also be impacted by any other open position(s) you have with us. These underlying stocks offered for each CFD will have a material impact on the risk and return of your investment. The scenarios also assume you do not make any further deposits on your account to meet margin calls.

Stocks

Name	Symbol	Min. Spread	Lot Size	Min. Trade Size	Min. Fluctuation	Value Per Tick	Margin Req.	Margin Curr.	Leverage
Facebook	CFD_FB	10	100 shares	1 shares	0.01 USD	1.00 USD	20.00%	USD	1:5
Facebook CFD (held intraday)									
Facebook CFD Opening Price						P	188.14		
Trade size						T S	100 shares		
Margin %						M	20.00%		
Margin Requirement (USD)						$MR = P \times TS \times M$	\$3,762.80		
Notional value of the trade						$TN = MR/M$	\$18,814.00		

Table 1

LONG Performance Scenario	Closing Price	Price Change	Profit/Loss	SHORT Performance Scenario	Closing Price	Price Change	Profit/Loss
Favourable	190.96	1.50%	\$282.21	Favourable	185.32	-1.50%	\$282.21
Moderate	189.08	0.50%	\$94.07	Moderate	187.20	-0.50%	\$94.07
Unfavourable	185.32	-1.50%	-\$282.21	Unfavourable	190.96	1.50%	-\$282.21
Stress	178.73	-5%	-\$940.70	Stress	197.55	5%	-\$940.70

Practical Information

Jurisdictions

Investing in CFDs are not eligible for marketing and/or distribution in certain jurisdictions due to the Competent Authority's local regulations. HYCM will not direct or intend for distribution or use by, any person or entity that is a resident of or located within a jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject HYCM and/or its affiliates to any registration or licensing requirement within such jurisdiction.

What happens if HYCM is unable to pay out?

If HYCM is unable to meet its financial obligations to you, you may lose the value of your investment. However HYCM segregates all retail client funds from its own money in accordance with CySEC's Safeguarding of Clients Assets Rules. Further, HYCM is a member of the Investor Compensation Fund (ICF) for the Clients of CIFs, under the provision of Investment Services, the Exercise the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time. As such, in the event that HYCM becomes insolvent and is unable to pay out to its clients, retail clients may be eligible to compensation of up to 20,000 EUR.

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

There is no recommended holding period but CFDs are usually held for less than 24 hours. You can open and close a CFD on a Index at any time during market hours. There is no cancellation period and therefore no cancellation fees. CFDs will expire when the investor chooses to exit the product or in the event the investor does not have available margin. The investor should monitor the product to determine when the appropriate time is to exit. They can close their contract at any time depending on each product's trading specifications. Please remember, that

holding a CFD on a Stock for a long term may incur substantial daily rollover charges.

Legal Documents

Investors must check Terms of Business and Legal Documents regularly, they can be updated them at any time without prior notice. Investors must agree to any changes if they wish to continue to use the services or features of the trading platform after the terms and conditions have been updated.

How can I complaint?

Under the law, you have the right to complain if you are dissatisfied about any aspect of a financial product or service. In the event of a complaint arising the Compliance department is responsible for the supervision of the complaints resolution process and can be contacted at the following address:

The Compliance Officer, HYCM (Europe) Ltd, Spyrou Kyprianou 47, the Noble Center, 4th Floor, Mesa Geitonia, Limassol, CY-4003 or by emailing: complaints@hycm.com. If you are not satisfied with our response to your complaint, you may refer the complaint to the Financial Ombudsman of the Republic of Cyprus. For more information please visit the Company's website to view the Complaints Handling Policy.

Applicable Language

Where you have been provided with a copy of the Key Investor Document in a language other than English, this is provided for informational purposes only. The English version of this KID is the governing version and shall prevail whenever there is any discrepancy between the English version and the other versions.

HYCM (Europe) Ltd

Authorized and regulated by the Cyprus Securities and Exchange Commission – 259/14

Contact Details

47 Spyrou Kyprianou Avenue
The Noble Center, 4th Floor
Mesa Geitonia, Limassol, CY-4003
Telephone: 00357 25245750 / Fax: 00357 25250139

Risk Warning

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. 50% of retail investor accounts lose money when trading CFDs with this provider.

You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

Key Investor Document

Version 2.0 August 2018