

Key Information Document (KID) Contracts For Difference (CFDs)

Tier1FX ("T1" or "The Division") is the Foreign Exchange division of Hogg Capital Investments Ltd, a fully licensed Category II Investment Services Company (license number IS18954) authorized and regulated by the Malta Financial Services Authority (MFSA) and located at The Shackleton Building, Blue Harbour, Ta'Xbiex Seafront, Ta'Xbiex, XBX1027 Malta.

PURPOSE

This document provides you with important information about this Contracts for Difference ("CFDs"). This is not to be considered as marketing material but is rather required by law in order to help you, the retail investor, to better understand the nature, risks and costs involved in trading this financial instrument and to help you compare it with other complex financial products.

WARNING

This represents a complex financial product which you may find difficult to understand. Trading CFDs is not appropriate for everyone.

WHAT IS A CFD?

A CFD is a derivative financial instrument, traded in a decentralized market or "Over the Counter" ("OTC"), which allows the investor to gain synthetic exposure to an underlying asset (for example, to a security, commodity, foreign exchange currency pair or market index).

It represents an agreement between two parties – the investor and the CFD provider – to pay each other the change in the price of an underlying asset. Depending on which way the price moves, one party pays the other the difference from the time the contract was agreed to the point where it ends.

It enables an investor to gain the economic exposure, for a fraction of the cost by way of a small deposit (margin), to an underlying asset without the need to acquire it. This affords the investor exemptions from both fiscal and disclosure obligations normally associated with purchasing an asset like an ordinary share, as well as the ability to scale up the investment exposure. A form of synthetic dividend, where applicable, is normally also payable.

The price of the CFD will replicate the market movements of the underlying asset and as a result, the investor can make gains or suffer losses. It would typically be used by investors seeking a short-term exposure to one or more financial instruments and/or markets, who have a high risk tolerance and who understand the impact and risks associated with margin trading.

The prices of underlying assets and of CFDs can be denominated in different currencies and investors' net returns will be additionally subject to exchange rate risks.

The underlying assets of CFDs offered by Tier1FX are:

- Foreign exchange currency pairs
- Major markets indices
- Selected global equities
- Commodities (selected metals)

When dealing you will be quoted a bid price and an offer price in the selected CFD along with corresponding price sizes. The difference between the bid and offer prices (the "spread") as well as the number of units available to the respective quotes is generally indicative of the liquidity of the underlying asset as well as of the CFD itself.

When opening a trade, you will have the choice of either buying the CFD at the indicated offer price ("going long the market"), or selling the CFD at the indicated bid price (shorting the market). The decision here will reflect your view of the direction in which you anticipate the underlying asset will move.

In order to close the trade, you will do the opposite of the opening trade.

The difference between the price at which a CFD trade is opened and the price at which it is subsequently closed, will determine your realised profit or loss. The extent of the return or loss will represent this difference multiplied by the size (number of units or "leverage") of the position you will have traded, less related brokerage / transaction charges, including where applicable, swap (carry forward to future market sessions') fees.

To open a position, you are required to "deposit" or "block" a portion of the total value of the contract in your account, referred to as "Margin" or "Margin Requirement". Tier1FX margin requirements are published on our website, updated from time to time and may be increased temporarily to mitigate risks in highly volatile markets or in anticipation of major market events.

If the deposit balance (your "equity") of your account falls below 50% of the margin required to maintain an open CFD position, we will automatically close this position. In the event of your holding multiple positions, we shall endeavour to commence the process by closing the most unprofitable positions in an attempt to reduce your "exposure" and to bring your remaining positions into a fully margined status.

When your equity falls to 100% of the required margin on your open CFD position(s), you will not be able to open new trades but only close open ones in order to reduce your exposure.

In fast moving markets, your positions may not be able to be closed at 50% and you may risk losing the entire balance of your account.

It is your responsibility to continuously monitor your account and to ensure that your CFD positions are sufficiently well-margined at all times. As explained we shall take the necessary measures to prevent your account falling below the above referred to thresholds. As a Retail Client you will nevertheless be protected by Tier1FX from incurring a negative balance in your trading account.

Please visit <http://www.tier1fx.com> for further information:

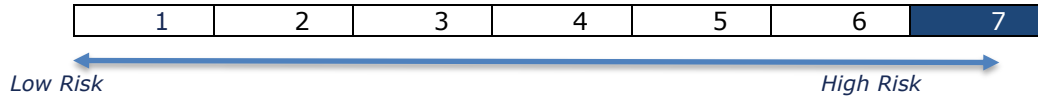
- Leverage: <https://www.tier1fx.com/t1-brokerage/trading/trading-conditions/#leverage>
- Margin Requirements: <https://www.tier1fx.com/t1-brokerage/trading/trading-conditions/#margin-requirements>

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Risk Warning: Trading derivative financial instruments, including foreign exchange, futures, options, contracts for differences and commodities carry a substantial potential risk of loss.

The value of these financial instruments is influenced by the price changes of their underlying assets, that these prices may fluctuate both rapidly and widely, that such factors can be neither predicted nor controlled by any party, and that gearing or leverage will disproportionately impact the results of any such transactions.

If you decide to trade in contracts for differences we ask that you carefully consider your trading objectives, experience, and risk tolerance.



The above indicator shows the level of risk of this derivative financial product as compared to other products. It shows how likely it is that the product will lose money because of movements in the markets. We have classified this product as 7, which represents the highest risk class.

Investors investing in CFDs should therefore be alert to the following risks, including but not limited to:

- Leverage Risk
- Margin Risk
- Foreign Exchange Risk
- Market Risk
- Counterparty Risk
- Online Platform Risk
- Illiquidity Risk
- IT Risk

WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY OUT?

Clients funds are deposited in segregated, off balance sheet, designated “Clients” accounts held with one or more licensed financial institutions. Furthermore, through its parent the Division forms part of the Investor Compensation Scheme established in terms of the Investor Compensation Scheme Regulations, EU Directive 97/9. In the unlikely event that Hogg Capital Investments Limited is unable to meet its financial obligations, retail clients may be eligible to a compensation of the lesser of ninety per cent (90%) of their respective claims, or up to €20,000. Further details can be found at <https://www.compensationschemes.org.mt/>.

WHAT ARE THE COSTS?

Before commencing CFDs trading, it is of utmost importance that you familiarise yourself with costs associated, as they will have a direct impact on your trading results.

The main types of trading costs involved are:

Cost Type	Description
Spread	The difference between the Buy and Sell price. This cost is realized every time that a trade is opened or closed.
Commission	A fee charged per lot or per contract traded.
Mark-up	A type of commission, where the trading fee is built into the spread, i.e. the spread is “marked-up” in the amount of the commission.
Rollover/Swap	Rollover or Swap is the interest paid or earned for holding a position which is carried forward to a future trading session,
Financing Charges (Indices)	The cost of holding an open position overnight when trading Indices.
Ex-Dividend Adjustment (Indices)	If you hold Indices positions at rollover and a constituent of that index announces a dividend, your account will be credited or debited on the day the underlying stock goes ex-dividend. Accounts that hold long (buy) positions will receive a positive ex-dividend adjustment and short (sell) positions - a negative one.

Currency Conversion	Funding transactions, realized and unrealized PnL, fees and other adjustments, denominated in a currency different than the base currency of your account, will be converted to base currency and you will thus incur a currency conversion cost.
---------------------	---

For detailed schedule on trading fees per instruments, please refer to the Fees section of our website at <https://www.tier1fx.com/trading-accounts/fees/>

HOW LONG SHOULD I HOLD A POSITION? 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. For more information on market hours, please refer to <https://www.tier1fx.com/trading-accounts/trading-conditions>

HOW CAN I COMPLAIN?

If you have an enquiry about a trade or other aspects of the product offering, please contact our Support Team at support@tier1fx.com. If you are not satisfied with the provided solution, you may submit a formal complaint by email to compliance@tier1fx.com.

The Compliance Officer will acknowledge the receipt of your complaint in writing within 1 or 2 business days and will provide you with indications on how the Company intends to deal with your complaint. If your complaint was conveyed by phone or via social media, we will formally acknowledge to you the receipt of and our understanding of your concerns in writing, thereby enabling you to confirm and/or correct our acknowledgment should it be required.

If our actions and/or our undertakings to resolve your complaint do not satisfy you, including if you feel that your complaint has not been addressed properly, you may lodge an official complaint in writing with The Office of the Arbiter for Financial Services:
<https://financialarbiter.org.mt>.

Our detailed Disputes and Complaints Handling Procedure can be found at <https://www.tier1fx.com/company/legal/>

OTHER RELEVANT INFORMATION

You should ensure that you are familiar with all the terms and policies that apply to your account, including but not limited to the Customer Agreement, Risk Disclosure, Privacy Disclosure and other legal documents and policies published on our website or made available to you in the course of our business relationship.

This Key Information Document does not contain all information relating to the product. For detailed information about the product and the legally binding Terms and Conditions of the product, please refer to the Company's website www.tier1fx.com. Such information is also available upon request at support@tier1fx.com.