*Reference to Admirals Europe Ltd shall always interpreted as "Admirals Europe Ltd (previously named as Admiral Markets Cyprus Ltd)"

Purpose

This document is aimed at providing you with key information regarding this specific investment product and should not be taken as marketing material. It is a legal requirement to provide this information in order to help you understand the nature, risks, costs, potential gains and losses related to this product and to enable you to compare this product against other products on offer.

Contract for difference ("CFD") on an Exchange-traded fund ('ETF') is offered by **Admirals Europe Ltd**. ("AM", "we" or "us"), a company registered in Cyprus and regulated by the Cyprus Securities and Exchange Commission (CySec) – license number 201/13. The registered office for Admirals Europe Ltd. is: Agias Zonis 63, 3090, Limassol, Cyprus. Please call +357 25770074 or go to https://admiralmarkets.com/?regulator=cysec for more information.

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You are about to purchase a product that is highly sophisticated and may be difficult to understand.

What Is This Product?

Type A contract for difference ("CFD") is a leveraged contract entered into with AM on a bilateral basis. It allows an investor to speculate on rising or falling prices in an underlying ETF.

An investor has the option to buy (or go "long") the CFD in an attempt to benefit from rising ETF prices; or to sell (or go "short") the CFD to benefit from falling ETF prices. CFD price is derived from that of the underlying ETF price. CFD price is derived from that of the underlying equity price. For instance, if an investor is long on ABC ETF CFD and the price of the underlying equity rises, the value of the CFD will increase in turn. Once the contract is over, AM will pay the investor the difference between the closing value of the contract and the opening value of the contract, i.e. the investor's profit. On the other hand, if an investor is long and the price of the underlying equity falls, the value of the CFD will decrease – so, at the end of the contract the investor will pay AM the difference between the closing value of the contract and the opening value of the contract. Equity CFDs must always be settled financially, and cannot be settled by the physical or deliverable settlement of any ETF shares. CFD leverage also has a magnifying effect on both profits and losses.

Objectives

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying ETF (whether that be upwards or downwards), without the need to actually buy, sell or otherwise transfer the underlying ETF shares. 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 and is one of the key features of trading CFDs.

For example, if an investor buys 2,000 CFD units, each representing a single ETF share, with an initial margin amount of 20% and an underlying ETF price of USD 5.0, the initial investment will be USD 5.0 x 1.0 x 2,000 x 20% = USD 2,000. The effect of leverage, in this case 1:5 (1 / 20%), has resulted in a notional value of the contract of USD 5.0 x 2,000 = USD 10,000.
This means that for each point change (i.e. a change by 0.01) in the price of the underlying ETF the value of the CFD changes by USD 20. For instance, if the investor is long and the market increases in value, a USD 20 profit will be made for every 1 point increase in that market. However, if the market decreases in value, a USD 20 loss will be incurred for each point that the market decreases in value. On the other hand, if an investor holds a short position, a profit is made in-line with any decreases in that market, and a loss for any increases there.

The CFD does not have a pre-defined maturity date and is therefore open-ended. The length of the holding period is at the discretion of each individual investor, based on their trading strategy, style and intended outcome – there is no recommended length for this period of time.

Automatic closure of a CFD may occur if an investor fails to deposit additional funds with which to meet the margin requirement as a result of a negative price movement. This will happen when an account's valuation (equity) decreases to a certain percentage of the initial margin amount.

The Intended Retail Investor

This product is intended for investors who already have an understanding and previous experience in dealing with leveraged products. Commonly, before committing any capital investors will already understand how prices of CFDs are derived, have a clear grasp of the concepts of margin and leverage and understand the fact that all deposits to the trading account may be completely lost. They should also understand the risk/reward profile of the product when compared to that of share dealing. It is also obligatory for investors to have the appropriate financial means and ability to bear a loss of the initial amount invested.

What Are the Potential Risks and Returns?

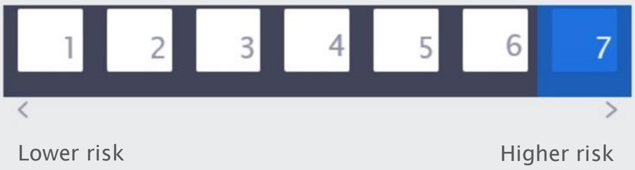
Risk Indicator

The risk indicator above is a summary of the level of risk that this product has when compared to other products. It signifies how likely it is that the product will lose money because of market movements or because we are not able to pay you.

We have deemed this product to be 7 out of 7, which is the highest- possible 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 movements within the underlying market, can rapidly generate losses. Losses can total the amount invested and may, therefore, require the depositing of additional funds. AM offers a protection to retail investors against account deficits, as per the Negative Account Balance Protection Policy. However, there are no means of protection of your capital 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 sum you may receive in return depends on the exchange rate between the two currencies. This risk has not been considered in the risk indicator you can see above. As stated, in some circumstances, you may be required to make further payments in order to pay for any losses that have occurred, meaning that **the total loss you may incur may total the amount invested.**



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 get back.

Conditions in the market may mean that your CFD trade on an Exchange-Traded Fund is closed at a less favourable price, which could significantly impact the level of returns you receive. We reserve the right to close your open CFD contract if you do not maintain the minimum margin that is required, if you are in debt to AM, or if you contravene market regulations. This process may be automated.

Future market performance is not protected against, so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from an investor compensation fund (see the section “What happens if Admirals Europe Ltd. is unable to pay you”) and, as stated, also from the Negative Account Balance Protection Policy. The risk indicator you can see above does not consider these protections.

Performance Scenarios

The scenarios outlined in this section are designed to show you how your investment could perform. It would be good practice to compare them with the relative scenarios of other products. These scenarios 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 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.

The following assumptions have been used to create the scenarios in Table 1:

Exchange-traded Fund CFD (held intraday)		
Exchange-traded fund opening price:	P	5
Trade size:	TS	2 000
Margin:	M	20 %
Margin requirement (USD):	MR = P x TS x M	2 000
Notional value of the trade (USD):	TN = MR / M	10 000

Table I

LONG Performance scenario	Closing price (bid)	Price change	Profit/Loss (USD)	SHORT Performance scenario	Closing price (offer)	Price change	Profit/Loss (USD)
Favourable	5.075	1.5 %	150	Favourable	4.925	-1.5 %	150
Moderate	5.025	0.5 %	50	Moderate	4.975	-0.5 %	50
Unfavourable	4.925	-1.5 %	-150	Unfavourable	5.075	1.5 %	-150
Stress	4.750	-5.0 %	-500	Stress	5.250	5.0 %	-500

The figures shown include all product costs. If you have been sold this product by someone else, or have a third party advising you about this product, these figures do not include any costs that you may need to pay to them. Your personal tax situation, which may also affect how much you get in return, is also not taken into account here.

What Happens If Admirals Europe Ltd. Is Unable to Pay Out?

If AM is unable to meet its financial obligations to you, you may lose the value of your investment. However, AM segregates all retail client funds from its own money, in accordance with the CySEC rules. AM also participates in the Investor Compensation Fund (ICF) which covers eligible investments up to EUR 20,000. Individuals are eligible under the ICF scheme and smaller businesses may also be eligible. Generally-speaking, larger businesses are generally excluded from the ICF scheme. See more in our Company Information document.

What Are the Costs*?

Trading a CFD on an underlying ETF incurs the following costs:

This table shows the different types of cost categories and their meaning		
One-off entry or 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.
	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 using the median prices of applicable FX pairs in the trading platform, where the median price is calculated as (offer price - bid price) / 2.
One-off entry or exit costs	Commission	A commission fee is charged on per-trade basis on our ETF CFD products, for more details please visit the Commissions section on our website.
Ongoing costs	Dividend adjustments	ETF CFDs are subject to cash adjustments reflecting the dividend payouts on the underlying ETF shares. Your account will be credited when holding a long position (buy) or debited when holding a short position (sell) for the appropriate amount on the ex-dividend dates of the underlying ETF, if you have opened a CFD on an ETF before the end of daily trading session on the day prior to such ex-dividend dates.
Ongoing costs	Daily holding cost	A fee is charged to your account for every night that your position is held. This means the longer you hold a position, the more it costs.
Incidental costs	Distributor fee	We may from time to time share a proportion of our spread, commissions and other account fees with other persons including a distributor that may have introduced you.

*Please always check Contract Specifications Page and our Trading Calculator before proceeding with any kind of trading through our Company. By proceeding with such Trading it is accepted that you agree with the Costs.

How Long Should I Hold it and Can I Take Money Out Early?

As stated above, these products have no recommended holding period, nor cancellation period and, therefore, no cancellation fees. Opening and closing of a CFD on an ETF can be done at any time during market hours. Please note that holding a CFD on an ETF for a long term may incur substantial daily holding costs.

How Can I Complain If I Need To?

If you are dissatisfied with any aspect of the service provided to you by Admirals Europe Ltd., you may, in the first instance, contact our Client Management Team by phone: +357 25770074; by email: compliance@admiralmarkets.com.cy; or in writing: Admirals Europe Ltd., Agias Zonis 63, 3090, Limassol, Cyprus. Further details can be found at our website section on Complaints Handling.

You can also refer to the European Commission's Online Dispute Resolution Platform.

Other Relevant Information

If there is a lag between the time you place your order and the moment it is executed, your order may not be executed at the price you expected. You should ensure that your Internet connection is sufficiently strong enough before trading. The The Documents and Policies section of our website contains important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account.

Our contract specifications contain additional information on trading a CFD on an underlying ETF. These can be found on the trading platform and on the website https://admiralmarkets.com/?regulator=cysec.