

## 1. Purpose.

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, costs, risks and rewards of this product and to help you compare it with other products.

## 2. Product.

Manufacturer of currency pairs futures traded on FORTS is Moscow Stock Exchange. The issuers of the stocks of the futures' contracts are the leading companies in the most developed segments of the Russian market: oil production, energy, communication and metallurgy etc. For more information you can contact us +357 25022834. Zemblanco Investments Ltd is regulated by the Cyprus Securities and Exchange Commission (Cysec), license number 277/15. This Key Information Document is dated 01/10/2019.

## 3. Alert.

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

Risk warning: Investing in financial instruments involves a high degree of risk and may not be suitable to all investors. Trading in financial instruments can result in both an increase or decrease in capital. Please refer to our [Risk Disclosure](#) available on our web site for further information.

## 4. What is this Product?

### Type

FX futures are derivative based contracts. A derivative is a financial contract, which derives its value from the value of another underlying instrument.

### Objectives

A future is an agreement between a buyer (long position) and a seller (short position) to trade a certain underlying asset at a certain time in the future for a certain price. FORTS FX futures have a pre-defined maturity date, their future contracts are issued on March, June, September, December, which means that last trading is in 3 (three) months from the date of issue. Last Trading day will be the third Thursday of the Contract's settlement month of the settlement year. The contract is cash settled. To enter into purchase agreement on FORTS, it is enough to deposit only part of the payment for the guarantee of transactions execution at 6-11% of the value of the securities (please find more information on <https://www.moex.com/en/derivatives/go.aspx>).

You can close your position on any trading day up to and including the Last Trading Day. Future's minimum price movement or tick size ("Tick Size") is 1 RUB per contract. Volume of the contract indicates number of units of underlying instruments and generally is 1000 units per contract.

If you 'opened' a position by buying a cash settled FX futures contract (to 'go long'), you sell the same contract to 'close' your position. If you 'opened' a position by selling a cash settled FX futures contract (to 'go short'), you buy the same contract to 'close' your position.

The buyer and the seller have opposing expectations of how the value of the futures price will develop. Either market participant will experience a profit if their expectations materialize, and a loss if their expectations do not materialize. The pay-off of a future is linear: a specific difference between the underlying's value at expiry and the underlying's value at entry always result in the same monetary profit respectively loss, independent of the actual value of the underlying. No recommended holding period is prescribed for FX futures. The risk and reward profile at maturity is depicted in the section "Performance scenarios". Buyer and seller can experience profits or losses at any point up to and including the future's maturity date. Currency future's price can fluctuate due to movements and expectations of the following non-exhaustive list of parameters: value of underlying, interest rates, etc. Instruments which are referenced as the underlying for FX future may include, but are not limited to:

- FX spot rate for a specific currency pair.

### Intended retail investor:

A retail investor should become familiar with the characteristics of this product to make an informed decision on whether or not this product fits their investment needs. This product is not designed neither to

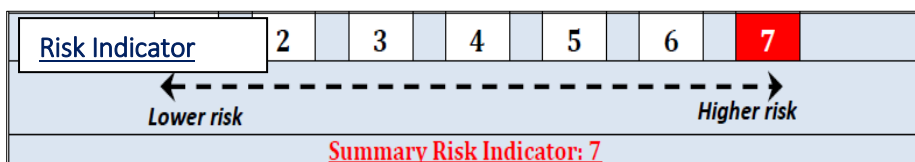


be marketed to a specific type of investor nor to fulfil a specific investment objective or investment strategy. A retail client could bare financial losses exceeding the initially invested capital. FX futures is a product suitable for clients with extensive knowledge and/ or experience in derivative financial products.

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

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. We have classified this product as **7 out of 7**, which is the highest risk class and rates the potential losses from future performance at a high level.

Futures are leveraged products; small changes in the future's price can result in huge gains or losses.



**Be aware of currency risk. Depending on the chosen product, you will receive payments in a different currency, so the final return you will get**

**will depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.**

In some circumstances you may be required to make further payments to pay for losses. **The total loss you may incur may significantly exceed the amount invested.** These products do not include any protection from future market performance so you could incur significant losses. This product can expose a retail investor to unlimited liabilities in certain circumstances and can be used for a variety of purposes e.g. for hedging/risk management or as a stand-alone instrument. This is a complex product and is only likely to be appropriate for the most experienced, sophisticated and knowledgeable types of investors.

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

### Performance Scenarios

Futures on EUR/RUB Exchange Rate (MOEX)		
Quantity of Futures	Q	100
Contract Opening Price	P	71740 RUB
Initial Margin %	M	6.55 % (leverage 1:15.27)
Initial Margin Requirement	MR = P x Q x M	469897.00 RUB
Notional value of the trade	TN = P x Q	7174000.00 RUB
Costs of funding		0% annually

Performance scenario (Long Position/BUY)	Market price	Price Change (%)	Profit or Loss (RUB)	Profit or Loss (%)
Stress	70680	-1.48	-106000	-22.56
Unfavourable	70911	-1.16	-82900	-17.64
Moderate	71740	0	No change	0
Favourable	71953	+0.30	+21300	+4.53

Performance scenario (Short Position/SELL)	Market price	Price Change (%)	Profit or Loss (RUB)	Profit or Loss (%)
Stress	72511	-1.07	-77100	-16.4
Unfavourable	71923	-0.26	-18300	-3.89
Moderate	71740	0	No change	0
Favourable	70911	+1.16	+82900	+17.64



## 6. What happens if Exchange is unable to pay out?

Zemblanco Investments Ltd is only a distributor of the Product, the Manufacturer is Moscow Exchange Derivatives Market – “FORTS”. In the event of a default by Moscow Exchange – an organizer of FORTS market, or your intermediary, your position may become subject to FORTS’s default procedures in accordance with its clearing rules, which may ultimately expose you to a risk of financial loss. It is possible that you may be included in any other compensation scheme depending on the exchange trading participant/member, clearing member, broker or other intermediary involved in a retail derivative transaction concerning this product. If you are in any doubt as to your position you should seek independent professional advice.

Clearing for the Derivatives market FORTS is provided by CJSC JSCB National Clearing Centre (NCC), a specialized clearing organization.

**Neither Moscow Exchange nor JSCB National Clearing Centre is within the jurisdiction of any financial services compensation scheme in the EU.**

To secure settlement of transactions concluded on the Derivatives market the Contingency fund made up of contributions of the clearing members was established. Initial guarantee margin and Contingency Fund assets are kept on the NCC's accounts opened with the NSD.

**7. What are the costs?** The Exchange charges a transaction fee for opening or closing a position. Should a futures contract be held to expiration, a cash settlement fee will apply instead of the closing transaction fee. No other charges are applied by the Exchange, although clearing firm and/or an upper broker firm will apply their charges for the services. Zemblanco investments Ltd has already provided you with Fees and Cost Schedule, updated from time to time and provided to you on timely manner by electronic means.

**8. How long should I hold it and can I take money out early?** No recommended holding period is prescribed for these products by the exchange. Each customer’s optimal holding period depends on their individual investment strategy and risk profile. Both, the buyer and the seller of a future can exit their exposure to a future as further described in the section “Objectives”. Customers can roll forward their exposure in a future (at or before maturity) to match their investment horizon. To roll a future means to extend its maturity by closing the initial contract and opening a new contract with the same underlying.

**9. How can I complain?** Retail investors should address complaints to the broker or intermediary with whom the investor has a contractual relationship in relation to this product. Complaints must be made to: Back Office Department of Zemblanco Investments Ltd in writing to the Company’s address: Zemblanco Investments Ltd, 8, Rigas Fereos Street, 3rd floor, Ayios Nicolaos, 3095, Limassol, Cyprus or can be emailed to: [back-office@zemblanco.com](mailto:back-office@zemblanco.com)

See <https://zemblanco.com/client-area/documents-for-clients/> for full details of Zemblanco Investments Complaints Handling and other Procedures.

## 10. Other relevant information

More information on product-specific tick sizes and tick values and different underlying’s for equity futures can be found in the respective chapters of Moscow Exchange Derivative Market rules available under:

<https://www.moex.com/en/derivatives/>