

## Key Information Document – CFDs on Commodities

### 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, risks, costs, potential gains and losses of this product and to help you compare it with other products.

### PRODUCT

#### Name of Product: Contracts for Difference (CFDs) on Commodities.

**Provider:** CFDs on commodities are offered by Magnum FX (Cyprus) Limited (hereinafter referred to as "the Company"), a Cypriot Investment Firm regulated by the Cyprus Securities and Exchange Commission (hereinafter referred to as "CySEC") under licence number 359/18. For more information, you can visit the Company's website at [www.ETFinance.eu](http://www.ETFinance.eu) or email at [support@ETFinance.eu](mailto:support@ETFinance.eu).

### ALERT

You are about to Buy/ Sell and to trade on a financial product that is not simple and may be difficult to understand. In addition, these products can carry a high risk and possible loss and may not be appropriate for all investors.

### WHAT IS THIS PRODUCT?

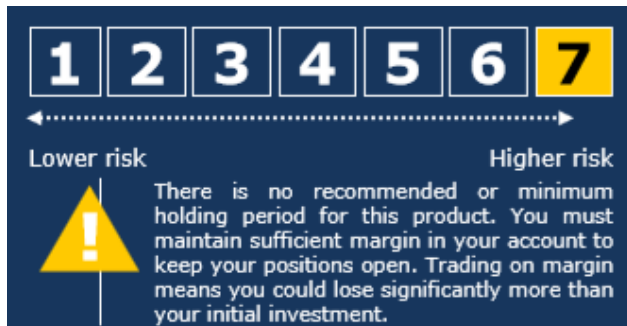
CFDs on commodities are leveraged derivative financial instruments traded Over the Counter ("OTC") i.e. the trading is concluded outside a regulated exchange or venue and between the client and the Company where the Company agrees to settle in cash the performance of the asset the client decides to speculate on. With this CFD you can speculate on the price movement (positive or negative performance) of Commodities without actually investing in or owning the underlying asset, by buying and selling contracts i.e. speculate on the rise or fall of a Commodity.

### OBJECTIVES

The objective of the CFD on Commodities is to allow an investor to gain exposure to the movement in the value of the underlying Commodity (whether up or down), without needing to actually buy or sell the underlying 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 and is one of the key features of trading CFDs. You will achieve profit if your speculation on the performance (positive or negative performance) was correct, with the difference between the opening price and closing price of the underlying asset as the performance or suffer a loss in your trading account. This product is commonly traded on margin. Margin refers to the use of an amount of capital to support a trading with a larger exposure. Please note that margin trading requires extra caution, because whilst you can realise large profits if the price moves in your favour, you risk extensive losses if the price moves against you. More information about margin trading can be found [HERE](#).

### INTENDED RETAIL INVESTOR

CFDs are intended for investors who have knowledge of, or are experienced with, leveraged products. Likely investors will understand how the prices of CFDs are derived, the key concepts of margin and leverage. Indeed, investors should understand the risk/reward profile of the product before entering into any transaction. Investors should also have appropriate financial means and the ability to bear losses up to equal to the amount invested.



**1 2 3 4 5 6 7**

Lower risk Higher risk

There is no recommended or minimum holding period for this product. You must maintain sufficient margin in your account to keep your positions open. Trading on margin means you could lose significantly more than your initial investment.

### TERM

CFD Commodity positions generally have no fixed or suggested maturity date. It's up to each individual trader to decide the appropriate time to open and close his positions and understand the mechanics and risks of leveraged trading including the use of margin deposits. Specific information on each underlying investment can be found [HERE](#).

### 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 or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class.

This rates the potential losses from future performance at a very high level, as this is a leveraged financial derivative and a small movement in the underlying market may have a large impact on the value of the CFD.

**Risk Warning:** CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money. Please read full [Risk Disclosure Statement](#).

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**Be aware of currency risk.** The realized return of a CFD contract denominated in a currency other than your account currency is affected by both the performance of the underlying asset and the exchange rate between both currencies. This risk is not considered in the indicator shown above. CFD trading requires you to maintain a certain level of funds in your account in order to open position(s) and to keep the position(s) open. This is the initial margin, maintenance margin respectively. You will be able to open a position by depositing only a small percentage of the notional value of the position, creating a leveraged position. Leverage can significantly magnify your gains and losses. If the funds in your account decrease to the point that they will soon become insufficient to keep your position(s) open – meaning that your equity is getting close to the total maintenance margin - a margin alert will be issued, asking you to consider **depositing additional funds**. If you fail to deposit additional funds and the market continues to move against you, the Company may close your position(s) (immediately and without notice) and you will realise any losses.

#### Other Risks to consider:

There are a number of types of trading risk, including leverage risk, which you should be aware of before beginning to trade. Information on factors that affect the performance of this product are detailed [HERE](#) - including but not limited to: Leverage risk, risk of unlimited loss, margin risk, foreign exchange risk, market risk, market disruption risk, counterparty risk, conflicts of interest, online platform and IT risk.

#### PERFORMANCE SCENARIOS

For example, if you believe the value of a Commodity is going to increase, you would BUY a number of CFDs on Commodities with the intention to later SELL them when their price is at a higher value. The difference between the BUY price and your subsequent SELL price would equate to your profit, minus any relevant costs (detailed below). If you think the value of a Commodity is going to decrease, you would SELL a number of CFDs at a specific value, expecting to later BUY them back at a lower value than you previously bought in order to sell them. The difference between the SELL price and your subsequent buy price would equate to your profit, minus any relevant costs (detailed below). However, if the Commodity moves in the opposite direction from your prediction you will be losing money, which in some cases can lead to the closure of your position, and you may lose all your funds in your account. Your return depends on the size of the performance (or movement of the underlying asset) of the underlying currency pair and the size of your position. The markets and financial products can change their volatility from time to time, and in one case to be without much movement and in other cases to be very volatile. This can impact on your open position by increasing your profit or your loss. **"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 can be lower."**

<b>Crude oil</b>	
<b>open price</b>	\$63.43
<b>Trade size</b>	500
<b>Value of Trade</b>	\$31,715.00
<b>Leverage</b>	1:10
<b>Margin Requirement</b>	\$3,171.50

Buy	closing price	Price Change in %	Change in Value	Profit/Loss in USD
<b>Favourable</b>	\$64.06	1%	\$0.63	\$315.00
<b>Moderate</b>	\$63.11	-0.5%	\$-0.32	\$-160.00
<b>Unfavourable</b>	\$62.79	-1.0%	\$-0.63	\$-315.00
<b>Stress</b>	\$60.26	-5.0%	\$-3.17	\$-1,585.00
Sell	closing price	Price Change in %	Change in Value	Profit/Loss in USD
<b>Favourable</b>	\$62.79	1%	\$0.63	\$315.00
<b>Moderate</b>	\$63.74	-0.5%	\$-0.32	\$-160.00
<b>Unfavourable</b>	\$64.06	-1.0%	\$-0.63	\$-315.00
<b>Stress</b>	\$66.60	-5.0%	\$ -3.17	\$-1,585.00

#### WHAT HAPPENS IF MAGNUM IS UNABLE TO PAY OUT?

Magnum FX (Cyprus) Ltd is a fully licensed Cyprus Investment Firm with a license number 359/18 and is a member of the Investor Compensation Fund; established pursuant to Article 59(1) and (2) of Cyprus Law 144(I)/2007.

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Its powers and function of which are regulated by the Cyprus Securities and Exchange Commission. The objective of the Fund is to secure any claims of covered clients against members of the Fund and the main essence of the Fund is to compensate covered clients for any claims arising from the malfunction by a member of the Fund to fulfil its obligations despite whether that obligation arises from legislation, the client agreement or from wrongdoing on the part of the member of the Fund. In the unlikely event that Magnum is unable to return financial instruments or funds owed to a covered client, the Investor Compensation Fund covers losses up to EUR 20,000 per investor. For more information you can visit the Cyprus Securities and Exchange Commission at <https://www.cysec.gov.cy/en-GB/complaints/tae/>.

#### WHAT ARE THE COSTS?

Before you begin to trade CFDs on Commodities you should familiarise yourself with all one-off and ongoing costs for which you will be liable. These charges will reduce any net profit or increase your losses.

#### COSTS FOR CFDs ON COMMODITIES

<b>One-off entry or exit costs</b>	<b>Spread</b>	The difference between the buy price and the sell price is the spread. This cost is realised each time you open and close a trade.
	<b>Currency Conversion</b>	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.
	<b>Commission charge</b>	N/A
<b>Ongoing costs</b>	<b>Daily holding cost</b>	A fee (SWAP) 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.
<b>Incidental costs</b>	<b>Distributor fee</b>	The Company may from time to time share a proportion of the Company's spread, commissions and other account fees with other persons including a distributor that may have introduced you.

#### HOW LONG CAN I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

CFDs on Commodities have no recommended holding period. Provided that the trading session is open for trading you can enter and exit positions at any time.

#### HOW CAN I COMPLAIN?

If you as a client or a prospective client of Magnum FX (Cyprus) Ltd have raised a question or an issue with Magnum FX (Cyprus) Ltd without receiving a satisfactory answer, you may file a complaint with Magnum FX (Cyprus) Ltd via email at [complaints@ETFinance.eu](mailto:complaints@ETFinance.eu) or via letter at address "1 Agias Fylaxeos Street, KPMG Building, 2nd Floor, Office 201, P.C. 3025, Limassol Cyprus" as per the company's official Complaint Handling Procedure found [here](#).

#### Other Relevant information

In case there is a time 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. Ensure your internet signal strength is sufficient before trading.

The Documents section of the Company's website contains valuable information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account. For any information not found in this KID or the Company's website [www.ETFinance.eu](http://www.ETFinance.eu) please contact us at [support@ETFinance.eu](mailto:support@ETFinance.eu)