

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

The manufacturer of this product is [Trade Capital Markets Limited](#) (“TCM” or “the Company”), authorised and regulated by the [Cyprus Securities and Exchange Commission](#) (“CySEC”), license number [227/14](#) and authorised by the [Financial Sector Conduct Authority](#) (“FSCA”), South Africa, license number FSP 47857. The Company is a wholly owned subsidiary of [Trade Capital Holding Limited](#) (“TCH” or “the Group”). You can contact us at info@tradecapitalmarkets.com or by calling at +357 22 030446. The Key Information Document (“KID”) was last updated in November 2023.

ALERT – 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 a form of derivative trading, with this document providing you with key information on CFDs where the underlying instruments are Commodities. Visit our [website](#) for further information in relation to the available CFDs on Commodities.

You may choose to Buy (go “long”) CFD units or to Sell (go “short”) CFD units depending on whether you think the price of the underlying instrument will go up or down. For every point the price of the instrument moves in your favor, you gain multiples of the number of the CFD units you have bought or sold. For every point the price moves against you, you will make a loss. Therefore, your return depends on the size of the performance (or movement) of the underlying instrument and the size of your position.

CFDs are leveraged products commonly traded on margin, which means that you only need to deposit a small percentage of the full value of the trade in order to open a position and to keep your position(s) open. This is called the initial margin and maintenance margin respectively.

Term – CFDs in general do not have a Recommended Holding Period (“RHP”) or a pre-defined maturity date. It is up to you when to open and close a position. For the purpose of this KID, the RHP has been set to 1 day. Applied leverage is predominantly dynamic and reduces proportionally to the entered volume. The Company reserves the right to terminate products with immediate effect if extraordinary events occur. Should your margin level fall below the Margin Close Out Level of 50%, you will receive a margin call and your open positions will start liquidating, starting with the highest losing positions first.

Please note that margin trading requires extra caution: whilst trading on margin allows you to magnify your returns, your losses will also be magnified as they are based on the full value of the CFD position.

Objectives – The objective of trading CFDs is to speculate (generally over the short term) on the rising or falling prices of an underlying instrument, without owning it. A CFD allows you to obtain an indirect exposure to an underlying asset. This means that you will never own the underlying asset, but you will make gains or suffer losses as a result of price movements in the underlying asset to which you have an indirect exposure.

As an example, if you enter a Buy trade on a CFD where the underlying price is 1,000 USD you will need to place an initial margin in order to be able to trade. Assuming the margin is 1:10, this means that the minimum margin you will need to place is 100 USD. If the price increases to 1,100 USD you will profit 100 USD less any applicable costs (listed below). If the price reduces to 950 USD you will lose 50 USD plus any applicable costs (listed below).

Intended Retail Investor – Trading in this product will not be appropriate for all investors and would most commonly be utilized by persons who meet one or more of the following criteria: i) have experience with financial markets; ii) understand the impact and risks associated with margin trading and how the prices of CFDs are derived; iii) are trading with money which they can afford to lose; iv) have a high risk tolerance; and v) intend to use the product for short-term investment, speculative trading, portfolio diversification and/or hedging of exposure of an underlying asset.

What are the Risks and What Could I get in Return?

Risk Indicator

1	2	3	4	5	6	7
Lower Risk			Higher Risk			



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.** These rates classify 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. However, the total loss that you may incur will never exceed your invested amount. The Company offers Negative Balance Protection (“NBP”), meaning that you will never be in a position to lose more funds than the amounts invested with the Company.

Specific market conditions (such as high volatility of the markets) might adversely affect your positions. In case you do not maintain the minimum margin that is required or if you contravene market regulations, we may be obliged to close one or more of your open positions at a less favourable price. This could significantly impact how much you get back.

This product does not include any protection from future market performance, so you could lose some or your entire invested capital. This includes your deposit(s) as well as any accumulated profits. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section “What Happens if the Company is Unable to Pay Out?”). The indicator shown above does not consider this protection.

CFD Risks
• Capital protection against Market Risk, Credit Risk and Liquidity Risk is not available.
• Currency Risk is present as you can buy or sell CFDs in a different currency than the one in your account, thus your return depends on the relevant exchange rate.
• Technology Risk is present as electronic platforms are being used, and downtimes may occur which could affect the ability to trade.
• Market volatility may affect the pricing and trading conditions of instruments.
• Leverage magnifies profits as well as losses.
• Costs and Charges, may have an impact on the overall return.

Performance Scenarios

The scenarios presented illustrate how much a 10,000 USD notional CFD position (in the product stated in the table) could be worth after being opened, held for an RHP of 1 day and then closed. The scenarios relate to a single product which is representative of the overall wider asset class it belongs to.

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavorable, moderate and favorable scenarios shown are illustrations using the worst, average and best performance of the underlying product on which the CFD is based on over the last 10 years. Markets could develop very differently in the future. The stress scenario shows what you might get back in extreme market conditions. The figures shown include all the costs of the product itself. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Performance Scenarios for CFDs on Commodities – UKOil			
Scenarios and Metrics		Long	Short
Stress Scenario	What you might get back after costs (USD)	\$ 9,623	\$ 9,623
	Profit or Loss (USD)	-\$ 377	-\$ 377
	Return for RHP (%)	-3.77%	-3.77%
Unfavorable Scenario	What you might get back after costs (USD)	\$ 9,739	\$ 9,739
	Profit or Loss (USD)	-\$ 261	-\$ 261
	Return for RHP (%)	-2.61%	-2.61%
Moderate Scenario	What you might get back after costs (USD)	\$ 10,010	\$ 10,010
	Profit or Loss (USD)	\$ 10	\$ 10
	Return for RHP (%)	0.10%	0.10%
Favorable Scenario	What you might get back after costs (USD)	\$ 10,246	\$ 10,246
	Profit or Loss (USD)	\$ 246	\$ 246
	Return for RHP (%)	2.46%	2.46%

What Happens if the Company is Unable to Pay Out?

The Company is a member of the Investor Compensation Fund for Customers of Cyprus Investment Firms (“CIFs”) and other Investment Firms (“IFs”) which are not credit institutions. The Fund was established under the Investment Firms Law 2002, as amended and replaced by Law 144(I)/2007, and the Establishment and Operation of an Investor Compensation Fund for Customers of CIFs Regulations of 2001. If, following a default, we cannot meet our obligations, depending on the type of business and the circumstances of the claim, the Fund covers up to €20,000 per person, per firm. For further information please check the information [here](#).

What are the Costs?

Before you begin to trade, you should familiarize yourself with all one-off and ongoing costs for which you may be liable. These charges will reduce any net profit or increase your potential losses. The information in the following table should be used on an indicative basis only. Please refer to the [Charges and Fees](#) page and on the [Costs and Charges Disclosures](#) document on the website for more information.

Costs Over Time for CFDs on Commodities – UKOil

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest and how long you hold the product. The amounts shown here are illustrations based on an example notional amount of 10,000 USD which is held for an RHP of 1 day and then closed.

If you close your investment after the RHP

	<u>Long</u>	<u>Short</u>
Total Costs (USD)*	\$ 9.91	\$ 7.92
Cost Impact**	0.0991%	0.0792%

*The illustration assumes that the instrument’s currency is equal to your account currency.

**This illustrates the effects of costs over a holding period of less than one year. This illustration presents the costs in relation to the notional of the investment.

Composition of Costs for CFDs on Commodities – Brent Oil

One-off Costs Upon Entry or Exit			If you close your investment in the RHP	
			<u>Entry</u>	<u>Exit</u>
Entry Costs & Exit Costs	Commission	Not applicable.	\$ 0.00	\$ 0.00
			0.0000%	0.0000%
	Spread	When trading CFDs you must pay the spread, which is the difference between the bid and the ask price. Our spreads are variable or may be a subject to a minimum, and are added on top of the market spread.	\$ 3.00	\$ 3.00
			0.0300%	0.0300%
	Currency Conversion Fee	A conversion fee is applied when you have an account that is denominated in a currency that is not of the same currency as the instrument being traded. The fee is applied as a fixed percentage of the conversion rate used and is reflected as a markup.	\$ 0.00	\$ 0.00
			0.0000%	0.0000%
Ongoing Costs			<u>Long</u>	<u>Short</u>
Management Fees and Other Administrative or Operating Costs	Overnight Swap	An overnight swap is an overnight interest that you are charged or credited, for holding a position overnight. If the overnight swap amount is negative, then you are charged and if the overnight swap amount is positive, then you are credited.	\$ 3.91	\$ 1.92
			0.0391%	0.0192%
Transaction Costs	Transactions Tax	The tax legislation in your country of residence may have an impact on the actual pay out of your investment.	Dependent on the enforced tax treaty.	

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

CFDs have no recommended holding period. Provided that the Company is open for trading, you can enter and exit positions at any time. It is essential to be aware of the implications of trading with margin and the associated costs, if you intend to use a buy and hold strategy when trading in CFDs.

How Can I Complain?

You may file a complaint by submitting the [Complaints Form](#) via post or by hand at: 148 Strovolos Avenue, 1st Floor, Strovolos 2048 Nicosia, Cyprus, or via email at: compliance@tradecapitalmarkets.com.

All complaints will be treated strictly confidential. If you believe that your Complaint has not been handled in a fair and equitable manner by the Company you have the right to refer the matter to the Financial Ombudsman of the Republic of Cyprus (complaints@financialombudsman.gov.cy), ADR Mechanism, or the relevant Courts.

Other Relevant Information

Leveraged trading in foreign currency contracts, contracts for difference or other off-exchange products carries a high level of risk and may not be suitable for everyone. Before trading, you are strongly advised to read the Terms and Conditions, the Order Execution Policy displayed in the legal section of our website [here](#), alongside with the [Risk Disclosure Notice](#).

Such information is also available on request. You have a right to request a hard copy of the present document.