

KEY INFORMATION DOCUMENT CFD ON GOLD

Purpose

The present document provides you (the "Client") 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.

This Key Information Document is effective from 3rd July 2018 and shall remain effective until an updated version is released.

Product

Product Name: Contract for Differences (the "CFD") on Gold

Name of the Manufacturer: IFCM Cyprus Ltd (the "Company"), a Cyprus Investment Firm (the "CIF"), authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC) under the license number 147/11.

For further information about IFCM Cyprus Ltd and our products, please visit our website at <https://www.ifcmarkets.eu/>. Also, you can contact us by using the contact details on our website: <https://www.ifcmarkets.eu/contact-us> or by calling us at +357- 25 730 877.

Risk Warning

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

What is the product?

A contract for difference ("CFD") is a leveraged contract entered into on a bilateral basis. It allows an investor to speculate on rising or falling prices for Gold against another precious metal or commodity such as Oil. Gold trading gives an investor the choice to buy (go "long") the CFD if they think the price of the underlying precious metal will rise against another asset or alternatively to sell (go "short") the CFD if they think that the price of the underlying precious metal will fall against another asset. For example, if an investor is long on a CFD on Gold and the price of Gold (the underlying) rises, the value of the CFD will increase - at the end of the contract, IFCM Cyprus Ltd. will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if an investor is long on a CFD on Gold and the spot price of the Gold falls, the value of the CFD will decrease and at the end of the contract then the investor will pay the difference between the closing value of the contract and the opening value of the contract. The use of leverage on CFDs has the effect of magnifying both profits and losses.

Please visit our website at <https://www.ifcmarkets.eu/trading/gold-trading> to check all underlying Gold instruments available.

Trading this product is not appropriate for everyone. The respective product shall be used by individuals who:

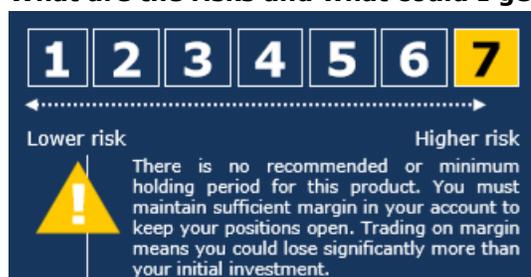
- Have a very good comprehension of dealing with complex products;
- Have a high risk tolerance and are able to understand the risks involved.
- Are trading with funds that they can afford to lose.
- Want to generally achieve short term exposures to financial markets, and have a diversified investment and savings portfolio.
- Have experience with, and are comfortable trading on, financial markets and, separately, understand the impact of and risks associated with margin trading and leverage.

This product is not appropriate for everyone, and should only be used by investors that are able to bear losses, and understand the mechanics and risks of leveraged trading including the use of margin deposits.

Term

CFDs are generally used for short term trading, often intra-day, so this product has no maturity date or cancellation period. We may unilaterally close your CFD contract(s) if you do not maintain sufficient margin in your account at all times. <https://www.ifcmarkets.eu/trading-conditions/ntx-margin>

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



1 2 3 4 5 6 7

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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.

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.

Be aware of currency risk. The realized return or losses of a CFD contract denominated in a currency other than your account currency will be in a different currency, so the final outcome depends on both the performance of the underlying asset and the exchange rate between both 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 such as to cover margin requirements. The total loss you may incur may significantly exceed the amount invested for the certain product, however, it is noted that under the regulatory framework governing Cyprus Investment Firms, we have ensured a negative balance protection on account basis.

Other risks to consider: Market Volatility: Financial markets are subject to high volatility causing rapid price fluctuations. This is primarily due to external influences and unforeseen events. This affects prices and spreads of CFDs. **Financing Charges:** If you hold a CFD overnight you will pay a Financing Charge if you are long and receive financing if you are short. In the case of Gold CFDs this is known as a “swap” or rollover rate and is partly dependent on the interest rate of the currency that the Precious Metal is quoted in. **Liquidity risk:** if there is no committed liquidity offered by market makers. **Operational risk:** is inherent in online trading. Disruptions in Financial Markets, malfunctions in computer networks and natural disasters may lead to trade execution problems. Please refer to our Risk Disclosure Statement, for a detailed description of the possible risks associated with the respective product; https://www.ifcmarkets.eu/pdf_files/risk_disclosure.pdf

Performance Scenarios

This key information document is not specific to a particular financial instrument. It applies to any Gold instrument. For each trade you enter, you will be responsible for choosing the instrument, when you open and close, the size (risk) and whether to use any risk mitigation features (such as stop loss orders). Each instrument has a different pip cost (value risked for every change of a certain digit in price) associated to it. Pip cost calculation methodology can be found <https://www.ifcmarkets.eu/profitloss-calculation> and is displayed in the **Trading Platform** when entering a Market or Entry Order.

The scenarios shown below illustrate how your investment could perform based on previous market data that are considered to be representative for the market conditions, but are not an exact indicator, since CFDs on Gold offered by the Company are OTC traded. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies. What you get will vary depending on how the market performs and how long you hold the CFD.

Gold Instrument: XAU/OIL CFD (held intraday)		
1Lot (100 oz. of XAU over 100bb of OIL) Price of Gold: \$1,350 Price of Oil: \$67.50 CFD opening price: 20		
CFD opening price:	P	\$1,350 (Actual CFD: \$1,350/\$67.50 = 20.)
Trade size (per CFD):	TS	100 oz.
Margin %:	M	10%
Margin Requirement (\$):	MR = P x TS x M	\$13,500
Notional value of the trade (\$):	TN = MR/M	\$135,000

LONG Performance Scenario	Closing Price	Price Change	Profit/Loss	SHORT Performance Scenario	Closing Price	Price Change	Profit/Loss
Favourable	20.50	0.0325%	\$3,444	Favourable	19.50	0.0325%	\$3,444
Moderate	20.25	0.0125%	\$1,722	Moderate	16.40	0.0125%	\$1,722
Unfavourable	19.50	-0.0325%	\$-3,444	Unfavourable	20.50	0.036%	\$-3,444
Stress	19.00	-0.05%	\$-6,887	Stress	21.00	0.05%	\$6,887

The performance figures above do not include the spread costs listed below.

What happens if IFCM Markets Limited is unable to pay out?

In case where the Company is unable to pay you due to a default, The Company, as a Cyprus Investment Firm, is a member of the Investor Compensation Fund (hereinafter called the “Fund”).

You may benefit from the protection from the Investor Compensation Fund (hereinafter called the “Fund”) of which the Company is a member and which covers eligible clients as defined in the Investor Compensation Fund policy. <https://www.cysec.gov.cy/en-GB/complaints/tae/>

The maximum amount of compensation that a covered client can receive by the Fund is €20,000 (Euro Twenty Thousand). For more information on the Fund, please click here: <https://www.cysec.gov.cy/en-GB/complaints/tae/information/>

What are the costs?

Before you trade CFDs on Precious Metals, you should familiarize yourself with all the below costs for which you will be liable and which are capable of reducing your net profits or increase your losses. The below table portrays an illustration of types of costs along with their meaning:

One-off costs	Entry spread	The impact of the costs you pay when entering a CFD position. The difference between the bid (sell) price and the offer (buy) price; the cost depends on position size and is a predetermined fixed cost. (Please click here for more details: https://www.ifcmarkets.eu/trading/gold-trading)
	Exit spread	The impact of the costs you pay when closing a CFD position. The difference between the bid (sell) price and the offer (buy) price; the cost depends on position size and is a predetermined fixed cost. (Please click here for more details: https://www.ifcmarkets.eu/trading/gold-trading)
Recurring costs	Overnight holding costs (Swap/Rollover)	The financing costs for every day that you keep your position open. Depending on the position held (longs vs. short) and the prevailing interest rates, your account may be credited or debited with the financing cost. (Please click here for more details: https://www.ifcmarkets.eu/trading/gold-trading)
Incidental costs	Not applicable on CFDs on Gold Instruments	
Commissions	Not applicable on CFDs on Gold Instruments	

How long should I hold it and can I take money out early?

CFDs on Gold Instruments have no recommended holding period. Provided that the Company is open for trading you can enter and exit positions at any time. The Company shall proceed with the settlement of all trades upon the execution and/or time of expiration of the specific trade. The trading hours can be found here: <https://www.ifcmarkets.eu/trading-conditions/trading-times>

How can I complain?

If you have any complaints about this product and/or conduct of IFCM Cyprus Ltd., please visit: <https://www.ifcmarkets.eu/webforms/complaint> or send an email to support@ifcmarkets.com or directly to our Compliance Department at compliance@ifcmarkets.eu or by post at Marinou Geroulanou 6, 4154 Kato Polemidia, Limassol, Cyprus.

If you are not satisfied with our response to your complaint, you may refer your complaint directly to the Financial Ombudsman of Cyprus (http://www.financialombudsman.gov.cy/forc/forc.nsf/contact_en/contact_en?OpenDocument) or CySEC (<https://www.cysec.gov.cy/en-GB/complaints/how-to-complain/>)

Other relevant information

This document is only a high-level summary of this product. In this respect the Key Information Document, shall be read in conjunction with the Company's Terms and Policies as well as other relevant documents found in the Company's website. You should ensure that you are familiar with all the terms and policies that apply to your account, as these are stated in the Company's website. Our Market Information sheets contain additional information on trading a CFD on an underlying Gold Instrument. These can be found on our trading platforms.

This document was last updated on 3rd July 2018.