

KEY INFORMATION DOCUMENT – 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

Commodity CFDs (Contracts for Difference)

Product manufacturer JFD Brokers Ltd (JFD), authorised and regulated by Securities and Exchange Commission in Cyprus (CySEC Registration number: 150/11).

Further information

You can find more information about JFD's products on our website. We encourage you to visit our website www.jfdbrokers.com. JFD's customer support team is available via phone, email or live chat. This document was last updated on 1 January 2018.

RISK WARNING

Our service includes products that are traded on margin and carry a risk of losses. The products may not be suitable for all investors. Please ensure that you fully understand the risks involved.

WHAT IS THIS PRODUCT?

Type

This document relates to products known as 'contracts for difference', which are also known as CFDs. A CFD allows you to obtain an indirect exposure to an underlying asset such as a security, commodity index or cryptocurrency. This means 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 the indirect exposure. There are many types of CFDs - this document provides key information on Commodity CFDs where the underlying investment option that you choose is a physical asset such as Gold or Oil. You can visit JFD's website for information on the underlying assets available to trade.

Objectives

The objective of trading CFDs is to speculate on price movements (generally over the short term) in an underlying asset by obtaining an indirect exposure to the underlying asset. Your return depends on movements in the price of the instrument and the number of contracts opened (size of your stake).

For example, if you believe the value of a commodity is going to increase, you could buy one or more contracts of that commodity CFD (this is also known as "going long"), with the intention to later sell

[PAGE | 1](#)

ADDRESS

JFD Brokers Ltd.
Kakos Premier Tower
Kyrillou Loukareos 70
4156 Limassol, Cyprus

TELEPHONE & FAX

+357 25878530
+357 25763540

WEB

support@jfdbrokers.com
www.jfdbrokers.com

them (and subsequently close the trade) when they are at a higher value. The difference between the price at which you buy and the price at which you subsequently sell equates to your profit, minus any relevant costs.

If you think the value of a commodity is going to decrease, you could sell a number of CFD contracts (this is also known as "going short") at a specific value, expecting to later buy them back at a lower price than you previously agreed to sell them for.

However, in either circumstance if the commodity's price moves in the opposite direction and your position is closed, either by you or as a result of a margin call, your account would be debited for the loss of the trade plus any relevant costs.

To open a position and to protect us against any losses you incur, you are required to deposit a portion of the total value of the contract in your account. This is referred to as the margin requirement. Trading on margin can enhance any losses or gains you make.

Execution Model

No Dealing Desk

JFD offers CFD trading via a Straight Through Processing (STP) or No Dealing Desk (NDD) execution model. In this model, JFD platforms display the best-available prices from our liquidity providers who act as counterparty to your trade. JFD does not act as a market maker and is compensated directly by the clients. Depending on account type, commissions are either debited when a position is open and closed or already included as a mark-up in the spread.

Intended Retail Investor

Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who: (i) have a high-risk tolerance; (ii) are trading with money they can afford to lose; (iii) have experience with, and are comfortable trading on, financial markets and, separately, understand the impact of and risks associated with margin trading; and (iv) want to generally gain short term exposures to financial instruments/markets, and have a diversified investment and savings portfolio.

Term

Commodity CFDs could have maturity date if their underlying asset is a spot rolling contract. On the other hand, commodity CFDs, based on Future contracts, expire together with it. You decide when to open and close your positions. JFD may close your position without seeking your prior consent if you do not maintain sufficient margin in your account or when the underlying future has expired.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Risk Indicator

1 2 3 4 5 6 7

Lower risk - Higher risk

PAGE | 2

ADDRESS

JFD Brokers Ltd.
Kakos Premier Tower
Kyrillou Loukareos 70
4156 Limassol, Cyprus

TELEPHONE & FAX

+357 25878530
+357 25763540

WEB

support@jfdbrokers.com
www.jfdbrokers.com

There is no recommended or minimum holding period for this product. You must maintain sufficient margin in your account to keep your positions open.

The summary risk indicator is a guide to the level of risk of these products 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 these products as 7 out of 7, which is the highest risk class.

CFD trading requires you to maintain a certain level of funds in your account to keep your positions open. This is called margin. You will be able to open a position by depositing only a small portion of the notional value of the position, creating a leveraged position. Leverage can significantly magnify your gains and losses.

Margin can be thought of as a good faith deposit required to maintain open positions. This is not a fee or a transaction cost, it is simply a portion of your account equity set aside and allocated as a margin deposit. Margin requirements (per 1 Contract for CFDs) are determined by taking a percentage of the notional trade size.

JFD Margin requirements are updated regularly and can be increased temporarily to mitigate risks prior to major market events or in increasingly volatile markets. Current margin requirements will differ depending on account type and can be viewed in the specifications sector of any CFD in your trading platform or in the contract specifications on JFD's official website.

Margin Calls will occur when the equity of the account falls below the required margin. Depending on your account type and/or trading platform a margin call may liquidate all open the positions on your account or may only close specific positions.

JFD process all liquidations for CFD products automatically. For more information on how Margin Calls work we encourage you to review our execution risks. JFD aims to provide clients with the best execution available and to get all orders filled at the requested rate. However, there are times when, due to an increase in volatility or volume, orders may be subject to slippage. Slippage most commonly occurs during fundamental news events or periods of limited liquidity. During periods such as these, your order type, quantity demanded, and specific order instructions can have an impact on the overall execution you receive. CFD trading is decentralised and pricing will vary from broker to broker. JFD's CFDs are not listed on any exchange, and the prices and other conditions are set by JFD in accordance with our best execution policy. CFD contracts can be closed only with JFD, and are not transferable to any other provider. If you have multiple positions your risk is cumulative and not limited to one position.

WHAT HAPPENS IF JFD IS UNABLE TO PAY OUT?

If JFD is unable to meet its financial obligations to you, this could cause you to lose the value of any positions you have with JFD. JFD is a member of the Investor Compensation Fund. You can find out more about it [here](#). JFD segregates your funds from its own money in accordance with Law 144(I)/2007. Should segregation fail, your investment is covered by the Investor Compensation Fund which covers eligible investments up to EUR20,000 per person. For more info, please visit:

PAGE | 3

ADDRESS

JFD Brokers Ltd.
Kakos Premier Tower
Kyrillou Loukareos 70
4156 Limassol, Cyprus

TELEPHONE & FAX

+357 25878530
+357 25763540

WEB

support@jfdbrokers.com
www.jfdbrokers.com

<https://www.cysec.gov.cy/CMSPages/GetFile.aspx?guid=971d4e0b-326b-4db1-b155-28a9f98af927>

WHAT ARE THE COSTS?

You can view the costs of trading commodity CFDs on JFD's website on this [page](#).

HOW CAN I MAKE A TRADE INQUIRY OR COMPLAINT?

If you wish to submit a trade audit you can contact our customer support. Per JFD's Complaint Procedure, if you are dissatisfied with the audit resolution, you can submit a formal complaint. You may submit your complaint online via the following form. If you do not feel your complaint has been resolved satisfactorily, you are able to refer your complaint to the Financial Ombudsman of the Republic of Cyprus. For further information, click [here](#).

OTHER RELEVANT INFORMATION

You should ensure that you read the Legal Information, Risk Disclosure and Privacy Disclosure displayed in the legal section of our website, as well as our Client Agreement. Such information is also available on request.

ADDRESS

JFD Brokers Ltd.
Kakos Premier Tower
Kyrillou Loukareos 70
4156 Limassol, Cyprus

TELEPHONE & FAX

+357 25878530
+357 25763540

WEB

support@jfdbrokers.com
www.jfdbrokers.com