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## Key information document for CFDs on Commodities

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### Purpose

The following document contains key information about the investment product. This is not a marketing material. This information is required by law to help you understand the nature of this investment product and the risks, costs, potential profits and losses associated with it, and to help compare it to other products.

### Warning

Contract for difference ('CFDs') is a complex financial product and may be difficult to understand. This product may not be suitable for all investors. Please ensure that you fully understand the risks involved

### Product

Contract for Difference (CFD) on a Commodity, hereinafter referred to as the "product" is a product manufactured by XTB Limited (ex. DUB Investments Ltd) (the "Company"), authorized and regulated by the Cyprus Securities and Exchange Commission ('CySEC') License no.169/12 in Cyprus.

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### What is this product?

A contract for difference ("CFD") is a form of derivative trading, where the price of the CFD is derived from the price of the underlying Commodity. CFD trading allows an investor to speculate on rising or falling prices on an underlying Commodity, without physically owning the underlying asset.

An investor has the choice to buy (or go "long") the CFD to benefit from rising Commodity prices; or to sell (or go "short") the CFD to benefit from falling Commodity prices. The price of the CFD on a Commodity is derived from the price of the underlying Commodity, which may be either the current spot price or the future's price.

CFDs are leveraged products and in order to place a CFD Order on a Commodity, an investor is required to maintain a margin. Margin is usually a relatively modest proportion of the overall contract value in money terms, therefore the investor shall be trading using 'leverage'. This means a relatively small market movement can lead to a proportionately much larger movement in the value of the investor's position, and this can work both to his advantage and disadvantage. At all times during which the investor opens trades, they must maintain enough equity, consider all running profits and losses, for meeting the margin requirements. If the market moves against the investor's position and/or Margin requirements are increased, the investor may be called upon to deposit additional funds on short notice to maintain his position. Failing to comply with a request for a deposit of additional funds, may result in closure of his position(s). At the end of the day any open positions are rolled over and charged a daily swap fee.

CFDs on Commodities in general do not have a recommended holding period and it is down to the discretion of each individual investor to determine the most appropriate holding period based on their own individual trading strategy and objectives.

### Objectives

The objective of CFD trading on Commodities is to allow an investor to gain exposure to the movement in the price of the underlying Commodity, without physically owning it. In CFD trading the exposure can be leveraged, since the CFD only requires a small proportion of the notional value of the contract to be put down upfront as initial margin.

Where an investor believes that the value of a Commodity is likely to strengthen, has the choice to buy a number of CFDs on Commodities (or in other words to go "long") with the intention to later sell them when they are at a higher price. 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. On the contrary where an investor believes that the value of a Commodity is likely to weaken, has the choice to sell a CFD on Commodities (or in other words to go 'short') with the intention to later buy them back at a lower value, resulting in us paying the investor the difference, minus any relevant costs. Nonetheless, if the value of the Commodity moves in the opposite direction and the investor's position is closed, the investor is bound to pay to the Company, subject to the Company's negative balance protection, the amount of any loss which he incurred.

## Target Individual Investor

The product is not appropriate for every investor. The product is intended for experienced investors with sophisticated knowledge of financial markets and who fully understand the risks associated with investing in the product and have the appropriate financial means to bear losses. The investors must familiarize themselves with the governing laws, participate in available education and training and acquaint themselves with the demonstration trading system.

## Term

The CFD on a Commodity has no maturity date, however, in cases specified in the Terms and Conditions of Service, the Company is entitled to terminate any CFD on Commodities contract unilaterally.

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

**The general risk index provides guidance relating to the risk level of this product, in comparison to other products. It shows the probability of incurring a monetary loss on the product due to market changes, or as a result of the Company being unable to pay money out. The general risk index for the product is 7 which is the maximum on the risk index. This risk factor includes the assumption that an investor can hold the product even for a short period of time for speculation purposes. It is possible that the investor will not be able to realize the investment or will be forced to incur substantial additional costs to realize the investment at an earlier date. The total loss of the investor can significantly exceed the initially invested amount. The product can be denominated in a currency other than the currency of the country of residence of the investor, therefore the return can be subject to additional changes, depending on the exchange rate fluctuations.**

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Lower risk  Higher risk

## Maximum possible loss of the invested capital

The investor can lose the entire investment capital taken as the security deposit for opening a trade on the product item. The product does not include capital protection against market risk.

**Currency Risk:** When buying or selling CFDs on a Commodity, it might be possible to conclude the transaction in a different current to the base currency of your account. Therefore, the final return you may get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

**Leverage and Margin Risk:** When trading leveraged products such as CFDs on Commodities an investor must be extra cautious because whilst you can realize large profits if the price moves in your favor, you risk extensive losses if the price moves against you. Leverage trading magnifies the losses of price movements. At all times during which the investor opens trades, they must maintain enough equity, consider all running profits and losses, for meeting the margin requirements. Failure to deposit additional funds in order to meet the maintenance margin requirement as a result of a negative price movement may result with the investor be called upon to deposit additional funds on short notice to maintain his position. Failing to comply with a request for a deposit of additional funds, may result in closure of his position(s).

**Technical risk:** Given that trading is performed via technology means such as PC, mobile phone, internet etc., the investor might be exposed to any electronic and technical disruptions occurred, for which the Company shall not be held liable for.

This product does not include any protection from future market performance, so you could lose some or all of your investment.

## Performance Scenarios

The [scenarios shown](#) illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you hold the CFD on Commodities. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

The figures shown include all the costs of the product itself. The figures do not take into account the investor's personal tax situation or the tax regime of the resident country which may also affect how much the investor get back.

### What happens if the Company is unable to make the payout?

The investor can incur a financial loss related to the Company's failure to perform an obligation. In the event of the Company's insolvency, investors are entitled to claim compensation from the Investors Compensation Fund (ICF) which covers eligible investments up to EUR 20,000 per person, per firm. The Company is a member of the Investor Compensation Fund and more information can be found [here](#). The Company clarifies that all retail client funds are segregated from the Company's own funds in accordance with our regulatory requirements.

### What are the costs?

One Off Costs		
Spread	The difference between the bid and the ask price at the time of the conclusion of the transaction. The cost can be different depending on market conditions.	<a href="#">[LINK]</a>
Commission	The fee to be charged at the opening and closing of the transaction. The fee concerns only PRO accounts.	
Exchange fees	The fee related to the conclusion of the transaction in selected CFD instruments, connected with fees on the underlying market.	
Equivalent of dividend	The fee related with dividends payments for selected CFD instruments.	

Recurring costs		
Swap Point Rates	Holding positions for another day results in the charge of fee	<a href="#">[LINK]</a>

### How long should I hold the product, and can I take the money out earlier?

This product has no fixed term and the investor can terminate the investment in the product at any time. Such a decision is not related to any extraordinary costs, other than standard item closure costs.

### How to lodge a complaint?

The investor can submit a complaint to the Company regarding the products and services offered by XTB Limited in the following ways:

1. By sending by post or delivering in person the attached Complaints Form at the following address: XTB Limited (ex.Dub Investments Ltd), Building: HIGHSIGHT RENTALS LTD, Pikioni 10, 3075 Limassol, Cyprus
2. By submitting the Complaints Form electronically at the following email addresses: [compliance@cy.xtb.com](mailto:compliance@cy.xtb.com)

For more details, please see our Complaints Handling Procedure found in the Company's website.

### Other relevant information

All additional documents containing comprehensive information regarding the product, including detailed information regarding fees and product features, are presented on the Company website.

All investors shall make sure that they read and understood the Company's Terms and Conditions, Order Execution, Policy, Risk Disclosure and Conflict of Interest Policy which can be found at the Company's website.