CAPEX .COM

Key Information Document - CFDs on Commodities (GOLD)

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, costs, risks, and rewards of this product and to help you compare it with other products.

Product

Product: CFD on Commodities (GOLD)

Product Manufacturer: Key Way Investments Limited (the **'Company**'), a Cypriot investment firm established in accordance with the laws of the Republic of Cyprus and is regulated by the Cyprus Securities and Exchange Commission with license number 292/16.

Further Information: More information on the Company can be found on the **Company's website** or by contacting us **via email, phone or live chat**. This document was last updated on November 30th, 2022.

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 tradable instrument which represents a contract between two parties to exchange the difference between the current price of an underlying instrument and its price on the day the contract closes. CFDs on Commodities (GOLD) are such contracts for the exchange of the difference in price where the underlying instruments are Commodities (GOLD).

Commodities are basic goods and materials that are widely used and are not meaningfully differentiated from one another. Examples of commodities include Gold. Commodities have long been an important part of commerce. Moreover, CFDs on Commodities (GOLD) are leveraged products, i.e. products which you are able to trade on with leverage, enabling investors to make transactions with a significantly lower margin (deposit).

Trading with leverage means that you can trade amounts significantly higher than the funds you deposit which only serve as margin, significantly increasing the potential return as well as the potential losses depending on whether the market will move in your favor.

The underlying instrument, i.e. the Commodity Gold , is never actually owned by you and the profit or loss is determined by the difference between the value of the CFD on Commodity (GOLD) at the opening and closing the contract, minus any relevant costs.

You may choose to Buy (go "long" on) CFD on Commodities (GOLD) units or to Sell (go "short" on) CFD on Commodities (GOLD) 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 on Commodities (GOLD) you have bought or sold.
- For every point the price moves against you, you will make a loss at multiples of the number of the CFD units on Commodities (GOLD) you have bought or sold.

Therefore, your return depends on the size and direction of the performance (or movement) of the underlying instrument and the size of your position.

This product is commonly traded on margin, which means that the retail investor must deposit an initial margin (which corresponds to the initial investment that is a percentage of the underlying value or notional value). In the case of CFDs on Commodities (GOLD), you will be required to deposit 5% of the notional value of your investment. Depending on the market movements and whether the value of the investment goes up or down, this margin changes day by day (upward or downward) depending on the performance - positive or negative - of the underlying Commodity.

Negative changes in the trading account could lead to total or partial erosion of the initial margin; in that case, an additional deposit may be required, and losses may be higher than the initial sum invested. You should be aware that if the total margin in your account falls below 50% of the amount of initial margin required in respect of all open CFDs on Commodities (GOLD), your positions will start liquidating, starting from the position with the highest loss.

In addition, you will never lose more than the Equity on your trading account as the Company offers Negative Balance Protection (NBP) to its clients.

Visit our website for further information in relation to the available CFDs on Commodities (GOLD)

Objectives

The objective of this product is to speculate on the price movements of the commodity via constant leveraged trading which is explained in the example below.

Maximum leverage for Commodities (GOLD) is 1:20, what means that every $1 is multiplied 20 times. Therefore, if the investor is willing to open position by using $100 of his own money on trading account, with leverage 1:20, the full position size will be $2000. Any potential profits or losses will be calculated on the full size position. It is important to understand that leverage can magnify both profit and losses. This product allows investors to speculate and make profit or a loss on the rising or falling prices of Commodities (GOLD). As explained above, the investor may be required to increase the margin due to market changes and that his position may be closed early if the margin call is not fulfilled. Investor will open BUY position if he believes that the price of the product will go up or SELL position if he believes that the price will go down.

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Intended Retail Investor

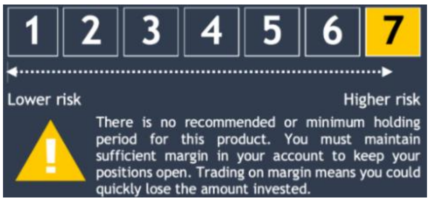
Trading CFDs on Commodities (GOLD) will not be appropriate for everyone. The Company normally expects these products to be used by persons who: (i) have a high-risk tolerance; (ii) are trading with money they can afford to lose; (iii) have experience with, and are comfortable trading on, financial markets and, additionally, understand the impact of the risks associated with margin/leveraged trading; and (iv) want to generally gain short term exposures to financial instruments/markets.

Term

CFD on Commodities (GOLD) positions have no maturity date or minimum holding period. The company does not prescribe a holding period for any position whether this is a buy, or a sell position. It is up to the investor to decide when to open and close his positions. You can open and close a CFD on Commodities (GOLD) at any time during the market trading hours of each CFD.

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

Risk Indicator



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 you will lose money because of movements in the markets or because we are not able to pay you. We have classified CFDs on Commodities (GOLD) as 7 out of 7, which is the highest risk class. This rates potential losses from future performance at a very high level.

Be aware of currency risk. You may receive payments in a different currency, so the final return to you will depend on the exchange rate between two currencies. This risk is not considered in the indicator shown above.

You will not be required to make further payments to pay for losses as we are required to provide negative balance protection but, due to leverage, the total loss you may incur may significantly exceed the amount invested (but not the total deposited amount).

<u>Other risks materially relevant to CFDs on Commodities (GOLD):</u>

- No capital protection against Market Risk, Credit Risk and Liquidity Risk.
- 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.
- The Company is the only counterparty to the client trades and this implies that a default risk arises in case we become unable to pay you out.
- There is a risk that you will not be able to liquidate enough positions during illiquid market conditions, or positions get liquidated at a significant loss especially where prices move overnight.

This product does not include any protection from future market performance so you could lose all of your investment. 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 we are unable to pay you’). The indicator shown above does not consider this protection.

Performance Scenarios

The worst scenario when trading CFDs on Commodities (GOLD), is when the client’s trades go to the opposite direction of what the client anticipated. This will cause a loss to the client which might lead to the loss of all his/her equity. The Company offers Negative balance protection; therefore, the client will not be able to lose more than the amount already invested in the client’s account. In the best-case scenario, the client will earn more than his initial investment if the direction of the Commodity (GOLD) traded is in the client’s favor.

The example below shows potential profit and loss under 4 different scenarios:

Scenarios (assuming USD 2,000.00 investment held for 3 Weeks)		High Volatility
Stress Scenario	What you might get back after costs	$100.00
	Average return	-95%
Unfavourable Scenario	What you might get back after costs	$760.00
	Average return	-62%
Moderate Scenario	What you might get back after costs	$1,840.00
	Average return	-8%
Favourable Scenario	What you might get back after costs	$3,460.00
	Average return	+73%

The scenarios shown illustrate how your investment could perform. The stress scenario shows what you might get back in extreme market circumstances. You can compare them with the scenarios of other products. The performance scenarios assume a holding period of 3 WEEKS and a minimum investment of 2,000.00 US dollars for a LONG position with a margin of 5% of the nominal.

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 keep the product, and importantly whether or not you have sufficient funds in your account to sustain the losses depicted. The Company will automatically liquidate positions if the equity in the account is insufficient to meet margin requirements.

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The figures shown include all the costs of the product itself but do not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. Opening a long position holds that you think the underlying price will increase, and opening a short position holds that you think the underlying price will decrease.

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 could be lower.

What happens if the Company is unable to pay out?

Investor Compensation Fund

The Company is a member of the Investor Compensation Fund ("ICF"). The objective of the ICF is to secure claims of the covered Clients against the Company, through the payment of compensation in cases where the Company is unable, due to its financial circumstances and when no realistic prospect of improvement in the above circumstances in the near future seems possible.

The amount of compensation shall be based on the investors' equity and up to the maximum amount of €20,000 (twenty thousand euros). This amount is the total amount that an investor can claim irrespective of the number of accounts and place of provision. For further details please refer to the **Investor Compensation Fund policy**.

What are the costs?

Before you start trading, you should familiarise yourself with all commissions, fees and other charges for which you will be liable. For further details please refer to the Company's trading conditions and Summary of Costs and Fees.

Costs over time

By selling you or advising you about this product you may be charged other costs. If so, will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself for a 3–week period. The figures assume you invest $2,000.00. The figures are estimates and may change in the future.

Cost Composition

The impact each year of the different types of costs.
What the different cost categories mean.

Assumptions

Estimated Holding Period: 3 Weeks
Investment: $2,000.00
Notional Amount: $20,000.00
Total Costs: -$20.00
Impact on Return: -1.0%

This table shows the impact on return per 3 Weeks			
One-off costs	**Entry costs**	0.08%	Brokerage Commissions. This is the most you will pay, and you could pay less.
	Exit costs	0.08%	Brokerage Commissions. This is the most you will pay, and you could pay less.
Ongoing costs	**Other ongoing costs**	0.87%	Financing costs. Paid on the notional amount based on overnight deposit benchmark plus a maximum spread of 2.5% pa.
Incidental costs	**NOT APPLICABLE**	0%	Not Applicable

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

Recommended holding period: NO RECOMMENDED HOLDING PERIOD
CFD on Commodities (GOLD) trading has no recommended holding period. You can enter and exit positions at any time. Opened positions can be maintained as long as there is sufficient margin in your account.

How can I Complain?

The clients are encouraged to use the Complaints Form attached in the **Complaints Handling Policy** and submit it electronically at the email **info@keywayinvestments.com** or by sending by post or delivering in person at the address 18 Spyrou Kyprianou Avenue, Suite 101, Nicosia 1075, Cyprus.

If you are not satisfied with the Company's final decision you may submit your complaint to the Financial Ombudsman of the Republic of Cyprus - **Website:** **http://www.financialombudsman.gov.cy**
Alternatively, you can submit your complaint to CySEC: **http://www.cysec.gov.cy**

Other relevant information

You are encouraged to review the Company's **Legal Documents** prior opening a trading account with us.

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