

**KEY INFORMATION DOCUMENT – COMMODITIES CFDs**

**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**

|   |  |
|---|--|
| <b>PRIIP Name</b>                                       | Commodities CFD  |
| <b>PRIIP Manufacturer</b> (the “Company”, “we” or “us”) | XS Markets Ltd   |
| <b>Website</b>  | <a href="http://www.xsmarkets.com">www.xsmarkets.com</a> |
| <b>Telephone</b>  | +357 25249600  |
| <b>Competent Authority</b>                              | Cyprus Securities and Exchange Commission (the “CySEC”)  |
| <b>Date of Production of Key Information Document</b>   | 11.12.2023   |

**What is this product?**

**Type**

An Over the Counter (“OTC”) Derivative Contract for Differences (“CFD”) on Commodities.

**Objectives**

The objective of the CFD is to allow you to gain leveraged exposure to the movement in the value of the underlying market (whether up or down), without actually owning the underlying asset. A Commodity CFD is an agreement between you and the Company to exchange the difference in price of the underlying asset over a period of time. You make a profit or a loss on the CFD based on the direction chosen (Buy/Long or Sell/Short) and the direction of the value of the underlying asset. The CFD is settled in cash only and you have no rights whatsoever to the actual underlying asset. The market for most commodities is open 24 hours a day, 5 days a week from Monday (00:00 GMT+2) until Friday (23:59 GMT+2). For specific trading timetable please check the following website: [www.xsmarkets.com](http://www.xsmarkets.com).

In order to purchase the specific CFD, you must have sufficient margin in your account. The required initial margin for CFDs on Commodities is 5% and the Company is required to liquidate open position latest if the qualifying equity in your CFD account falls below 50% of the initial margin requirements for all CFD positions. The maximum leverage offered by the Company for CFDs on Commodities is up to 1:20. Margin requirements may be decreased at your request, subject to fulfillment of certain criteria whereas margin requirements may be increased at the Company’s discretion in cases of extreme market volatility.

The profit or loss is determined according to the following formula:

**For Buy (Long) positions:** Deal size (in units of underlying asset) x [Close Bid – Open Ask] = P/L (in units of the other asset)

**For Sell (Short) positions:** Deal size (in units of underlying asset) x [Open Bid – Close Ask] = P/L (in units of the other asset)

The P/L from the closed positions is then converted into the base currency of your account, if different. This is done on the basis of the relevant Bid/Ask rate of the two currencies at the time the position is closed.

The P/L is also affected by the fees charged by the Company, as detailed below. Therefore, it is important to maintain such level of margin to support your open positions/

**Intended Retail Investor**

This product is intended for speculative retail investors who wish to make leveraged directional transactions and take advantage of short-term price movements on the underlying asset and have the ability to sustain the risk of loss of their entire invested amount within a short period of time. Those investors have knowledge of, or are experienced with, leveraged products and understand how the prices of CFDs are derived as well as the key concepts of margin and leverage.

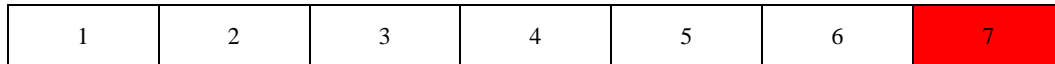
**Insurance Benefit:** None

**Term**

There is no predefined investment holding period or contract expiration implicit in this instrument – it is an open-ended investment to be bought and sold at your discretion. You have the discretion to determine the appropriate holding period based on your own individual trading strategy and objectives, however your position will only be kept open to the extent that you have available margin. Please consult the Company’s website for trading times.

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

**Risk indicator**



← Low Risk High Risk →

The risk indicator assumes that you keep the product for 2 days. However, the level of risk would remain at 7, irrespective of how long this product is held.

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 of the product at a very high level.

You may not be able to end the product easily or you may have to end at a price that significantly impacts the return on your investment. CFDs may be affected by slippage or the inability to end the product at a desired price due to unavailability of such price in the market. CFDs are OTC products and cannot be sold on any exchange, MTFs or other trading venue. There is no capital protection against market risk, credit risk or liquidity risk. Markets may fluctuate



significantly in a short period of time and we may not be able to close out your position at a price that would avoid losses greater than the margin originally deposited.

**Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depends on the exchange rate between the two 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. The total loss you may incur may significantly exceed the amount invested.**

This product does not include any protection from future market performance so you could lose some or all of your investment. If the Company is 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 XS Markets Ltd is unable to pay out’). The indicator shown above does not consider this protection.

**Performance scenarios:**

**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 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.

The scenarios shown are illustrations based on results from the past and on certain assumptions. The unfavorable, moderate, and favorable scenarios shown are illustrations using the worst, average, and best performance of the product based on historical performance over the last two years. Markets could develop very differently in the future. 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. However, you may benefit from a consumer protection scheme (see the Section “what happens if XS Markets Ltd is unable to pay out”).

| Example: Commodity CFD on GOLD (XAUUSD). |  |                      |                       |                        |                 |                                    |
|--|--|----------------------|-----------------------|------------------------|-----------------|------------------------------------|
| <b>Recommended Holding Period:</b>       | Not applicable. However, for the purposes of this performance scenario presentation, the assumed holding period is 2 days. |                      |                       |                        |                 |                                    |
| <b>Example Investment (EUR):</b>         | € 10,000   |                      |                       |                        |                 |                                    |
| <b>Minimum</b>                           | There is no minimum guaranteed return. You could lose some or all of your investment.                                      |                      |                       |                        |                 |                                    |
| <b>Stress</b>                            | <b>Opening Price</b>   | <b>Closing Price</b> | <b>Price Change %</b> | <b>Profit/Loss EUR</b> | <b>Cost EUR</b> | <b>% Return on invested amount</b> |
|  | 1991.50  | 1940.50              | -2.6%                 | -279.33                | -2.55           | -2.59%                             |
| <b>Unfavorable</b>                       | <b>Opening Price</b>   | <b>Closing Price</b> | <b>Price Change %</b> | <b>Profit/Loss EUR</b> | <b>Cost EUR</b> | <b>% Return on invested amount</b> |
|  | 1991.50  | 1981.50              | -0.5%                 | -54.77                 | -2.55           | -0.53%                             |
| <b>Moderate</b>                          | <b>Opening Price</b>   | <b>Closing Price</b> | <b>Price Change %</b> | <b>Profit/Loss EUR</b> | <b>Cost EUR</b> | <b>% Return on invested amount</b> |
|  | 1991.50  | 2001.50              | 0.5%                  | 54.77                  | -2.55           | 0.48%                              |
| <b>Favorable</b>                         | <b>Opening Price</b>   | <b>Closing Price</b> | <b>Price Change %</b> | <b>Profit/Loss EUR</b> | <b>Cost EUR</b> | <b>% Return on invested amount</b> |
|  | 1991.50  | 2031.50              | 2.0%                  | 219.08                 | -2.55           | 1.98%                              |

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.

**What happens if XS Markets Ltd is unable to pay out?**

In the event that XS Markets Ltd becomes insolvent and is unable to pay out to the investors, Retail Clients may be eligible to compensation by the Investor Compensation Fund set up by the Cyprus Securities and Exchange Commission. The total payable compensation to each covered Client of the Company is defined as the lower of 90% of the cumulative covered claims of the covered Client and the amount of €20,000.

**What are the costs?**

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 amount shown here are cumulative costs of the product itself for an estimated holding period of 2 days. The figures assume you invest €333.33 for a €10,000 notional value. The figures are estimates and may change in the future. For further information, please refer to our Cost and Charges Policy which can be found [here](#).

**Costs Over Time**

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time. 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, how long you hold the product [and how well the product does (where applicable)]. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed (i) the product performance as per the moderate scenario, and (ii) a notional amount of €10.000 is invested.

| Notional Investment Amount: €10.000 | If you exit after 2 days |
|-------------------------------------|--------------------------|
| <b>Total Costs</b>                  | <b>-2.55 EUR</b>         |
| <b>Cost Impact*</b>                 | <b>0.026%</b>            |

\*This illustrates how costs reduce your return over the assumed holding period and a moderate return scenario. For example, it shows that if you exit after 2 days, your average return is projected to be 0.5% before costs and 0.47% after costs. This illustrates the effect of costs over a holding period of less than one year. This percentage cannot be directly compared to the cost impact figures provided for other PRIIPs.

#### Composition of Costs

| Cost impact if you exit after 2 days |                             |        |  |          |
|--------------------------------------|-----------------------------|--------|--|----------|
| One-off costs                        | Spread                      | 0.11%  | Spread: The difference between the bid (sell) price and the offer (buy) price. Spread is dependent on many different factors, including but not limited to, the underlying liquidity and volatility and time of day.<br>Example: XAUUSD is trading at 1991.40/1991.50 (BID/ASK). The spread is 0.10, which at a trade size of 5.48 equals 0.55 USD (0.50 EUR).   | 0.50 EUR |
|                                      | Currency Conversion         | N/A    | Any cash, realized profit and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account and a currency conversion fee will be charged to your account.   |          |
|                                      | Commission                  | 0.003% | For some types of CFDs offered, including CFDs on Commodities, the commission is not incorporated into the quoted price. The commission charged is 3 USD per 1 standard lot (100oz), once on opening a position and once on closing the position, resulting in a round trip of 6 USD commission.   | 0.30 EUR |
|                                      | Mark-Up (where applicable)  | N/A    | The prices on which you are trading may include a mark-up which is a charge on the spread as received from the liquidity/price provider.   |          |
| Ongoing costs                        | Portfolio transaction costs | N/A    | The expenses associated with buying and selling securities, including commissions, purchase and redemption fees, exchange fees, and other miscellaneous costs.   |          |
|                                      | Rollover Fee (Swaps)        | 0.016% | The Swap fee is charged to your account for every night that you hold a position. The amount could be positive or negative depending on the instrument you are holding and whether you are long or short. Based on the example, for a long position the swap fee for XAUUSD is - 33 Points per night. $Cost = (0.33 \text{ USD} * Quantity * Number \text{ of Nights})$ .  | 1.65 EUR |
| Incidental costs                     | Slippage                    | 0.001% | Slippage refers to the difference between the expected price of a trade and the price at which the trade is executed. Prices of the financial instruments change several times in a second and this may cause the trading system to execute a trade at a different than the requested price. Example: Request is sent to close the buy position at 2001.50, however the next available price is 2001.39, resulting in slippage of 11 points. | 0.10 EUR |

This illustrates costs in relation to the notional value of the PRIIP

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

There is no recommended holding period or minimum holding period. There are no consequences of you choosing to close your position other than ending your exposure to the underlying at that time. Early termination may occur in the event your account has insufficient funds to support the margin requirement for your position, as a consequence of certain corporate actions, or if XS Markets Ltd for other reasons decides to discontinue the CFD, or if XS Markets Ltd were to become insolvent.

#### How can I complain?

If you have any questions that the Company can help you with, you may address an email to our Customer Support Department at [support@xsmarkets.com](mailto:support@xsmarkets.com). In case the Company is unable to answer your question, or you deem that the answer provided is unsatisfactory, you may submit an official complaint by completing the required form and address it via mail to at 247, Franklinou Rousvelt, Block B, 1<sup>st</sup> floor, 1B, 3046 Limassol, Cyprus or via email to [complaints@xsmarkets.com](mailto:complaints@xsmarkets.com). The Company maintains a Complaints Handling Procedure which can be found [here](#). In certain cases you may refer your complaint to the Financial Ombudsman or the Cyprus Securities and Exchange Commission at [www.financialombudsman.gov.cy](http://www.financialombudsman.gov.cy).

#### Other relevant information

While this key information document is a detailed summary of this product, it does not contain all information relating to the product. For product specifications (e.g., trading hours, margin calculation, leverage, etc.) please refer to our [website](#). The Trading Terms & Conditions as well as all related Policies and other Disclosure Documents as indicated in our [website](#) contains important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account.