KEY INFORMATION DOCUMENT

Purpose

This 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.

Product

Product Name: Contract for Difference ("CFD") on commodities.

Product Manufacturer: Alfa-Forex, a trading name and brand owned by Alfa Capital Holdings (Cyprus) Limited ("ACC"), a company authorised and regulated by the Cyprus Securities Exchange Commission ("CySEC"), with license number CIF 025/04, registered in Cyprus with incorporation number HE 78416.

Further Information: For further information about Alfa-Forex and our investment products, you can visit our website at https://alfaforex.com or contact us on +357 22 470 969. This document was last updated on 1 August 2018.

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 leveraged contract entered into with ACC on a bilateral basis which is settled in cash. A CFD represents an agreement between a 'buyer' and a 'seller' to exchange the difference between the current price of the underlying asset and its price when the CFD contract is closed. Under a CFD contract, ACC is acting as a counterparty to your transactions; hence, ACC is acting as the buyer each time you are a seller of a CFD and as a seller each time you are a buyer.

CFDs on commodities allow you to speculate on price movements of the underlying commodities. A commodity can be a precious metal (e.g. "gold", "silver", "platinum", "palladium") or a raw material (e.g. "Brent Crude Oil Future"). Your return depends on the fluctuation of the price as well as the size of your position. For more details in relation to the CFDs on commodities which ACC is currently offering can be found at our website.

Given that CFDs are leveraged investment products, only a percentage of the notional value of the CFD contract is required to be deposited upfront into your account. Such deposited funds are referred to as the "required margin". Margin trading requires extra caution since, whilst large profits can be realised in case the price moves in your favour, there is also a risk for realising extensive losses if the price moves opposite. Failure to deposit additional funds in order to meet the required margin level (i.e. margin call) as a result of a negative price movement, your CFD position will be automatically closed.

CFDs on precious metals are spot commodities and therefore do not have an expiry date, however, an overnight Swap Cost is charged for keeping your position open over the night (detailed below). On the contrary, CFDs on "Brent Crude Oil Future" have a pre-defined expiry date and they cannot be rolled over, at expiry. Therefore, if your position is still open at expiry date, it will be auto-closed and valued based on the last available market price. In case where the terms of a CFD contract are breached, ACC retains the right to unilaterally terminate such CFD contract.

Objectives

The objective of a CFD on commodities is the speculation on price movements of the underlying commodities, without actually owning the physical commodity. A profit is achieved if your speculation on the performance of the underlying commodity was correct, otherwise you will suffer a loss of a portion or all of your account funds.

For example, if you believe that the price of a CFD on "gold" will increase, you may want to buy a number of CFD contracts with the intention to sell them at a later stage at a higher price (this is also known as "going long"). The difference between the buy-price and the sell-price equals your profit, minus any relevant costs (detailed below). If you believe that the value of a CFD on "gold" will decrease, you may want to sell all/ a number of CFD contracts at a specific price, with an intention to buy them back at a later stage at a lower price compared to the price sold (this is also known as "going short"). The difference between the sell-price and the buy-price equals your profit, minus any relevant costs (detailed below).

In general, CFDs on commodities do not have a recommended holding period; and hence, it is at the discretion of the investors to determine the most appropriate holding period based on their own individual trading strategy and objectives.

Intended Retail Investor

CFDs on commodities are intended for investors who have knowledge of, or experience with, leveraged products. Likely, investors will understand the main market factors that determine commodities fluctuations, the key concepts of margin trading and leverage as well as the risk of losing all of their investment. CFDs on commodities are compatible with the needs of investors who seek short term capital gain and/or short-term investment horizon, by investing in highly liquid markets which can provide the benefit of quick pay-out. Such investors should have a high-risk tolerance and willing to accept rapid price fluctuations.

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

Summary Risk Indicator

1 2 3 4 5 6 **7**

Lower Risk ***Higher Risk***

The risk indicator assumes that the product is speculative and leveraged, and you may lose all your money. There is no recommended or minimum holding period for this product. You may not be able to buy or sell your CFD at the price you wanted to due to volatility of the market or you may have to sell at a price that significantly impacts how much you get back.

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. CFDs are leveraged products that due to underlying market movements can generate losses rapidly. There is no capital protection against market risk, credit risk or liquidity risk.

Be aware of currency risk. It is possible to buy or sell CFDs in a currency which is different to the base currency of your account. In such cases, the total return of your investment will depend on the exchange rate between the two currencies. Currency risk is not taken into consideration in the Summary Risk Indicator shown above.

In some circumstances you may be required to make further payments to compensate for losses (i.e. margin call payments). The total loss you may incur will not exceed your invested amount. ACC offers negative balance protection to its clients. In case your account balance becomes negative, for example due to a gap in the market, your account will be brought back to zero (0).This product does not include any protection from future market performance, so you could lose some or 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 the Investor Compensation Fund (see the section "What happens if we are unable to pay you"). The indicator above does not consider this protection.

Performance Scenarios

The scenarios shown below illustrate how your investment could perform, under different scenarios, assuming the investment's notional value is USD 120 000. 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 on the holding period of the CFD contracts. The stress scenario shows what you might get back in extreme market circumstances and it does not take into account the situation where ACC is not able to pay you. The following assumptions have been used to create the scenarios in Table 1:

Gold spot – LONG Position		
Commodity opening price	**P**	$1 200 per ounce
Trade size	**TS**	1 lot
Lots size	**LS**	100 ounces
Margin %	**M**	10% *(leverage 1:10)*
Margin Requirement	**MR = P x TS x LS x M**	$12 000
Notional value of the trade	**TN = P x TS x LS**	$120 000
Overnight Swap Rate		$7 per lot
Spread (Bid/Ask)		$50 per lot

Table 1 *(Profit or Loss figures are rounded to the nearest $)*

Performance scenario (Long Position)	Closing price (USD) - incl. Bid/Ask spread	Price Change (%)	Profit or Loss (USD)	Profit or Loss (%)
Stress	$1 139.53 (intra-day)	-5%	-$6 048 *(incl. Bid/Ask spread: $50)*	-50.40%
	$1 139.53 (next-day)	-5%	-$6 055 *(incl. Bid/Ask spread: $50, Overnight Swap cost: $7)*	-50.45%
Unfavorable	$1 181.51 (intra-day)	-1.5%	-$1 849 *(incl. Bid/Ask spread: $50)*	-15.41%
	$1 181.51 (next-day)	-1.5%	-$1 856 *(incl. Bid/Ask spread: $50, Overnight Swap cost: $7)*	-15.47%
Moderate	$1 199.50 (intra-day)	No change	-$50 *(incl. Bid/Ask spread: $50)*	-0.42%
	$1 199.50 (next-day)	No change	-$57 *(incl. Bid/Ask spread: $50, Overnight Swap cost: $7)*	-0.48%
Favorable	$1 217.49 (intra-day)	1.5%	$1 749 *(incl. Bid/Ask spread: $50)*	14.58%
	$1 217.49 (next-day)	1.5%	$1 742 *(incl. Bid/Ask spread: $50, Overnight Swap cost:$7)*	14.52%

The figures shown above include all 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 ACC is unable to pay out?

If ACC is unable to meet its financial obligations to you, this could cause losing the value of any position(s) you maintain with ACC. However, ACC segregates your funds from its own funds in accordance with the CySEC's client asset segregation rules. Should such segregation fail, your investment is covered by the Investor Compensation Fund (ICF) which covers all the eligible investments up to €20 000 per person (legal or natural), per Investment Firm. For further details refer to CySEC's website at: https://www.cysec.gov.cy.

What are the costs?

The table below shows the different types of costs involved when you trade in CFDs on commodities.

One-off costs	Spread	The spread is the difference between the buy (bid) and sell (ask) of the price that ACC quotes. This cost is realized every time you open / close a trade.
	Currency conversion	The currency conversion represents the cost for converting fees and charges as well as realized profits and losses that are denominated in a currency other than the base currency of your trading account.
On-going costs	Swap *(financing cost)*	The financing cost represents the cost for keeping your position open over the night. It is applicable only for CFDs on precious metals and could vary, depending on the night of the week the rollover takes place.
Incidental costs	Performance fees	The performance fee represents the profit sharing ratio that is applicable during the provision of Portfolio Management services ("Managers' investment account services").

The aforementioned costs vary, depending on your investment options and prevailing market conditions. Additional information can be found at our website.

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

CFDs on precious metals have no fixed term and will expire when you choose to exit the product, or in the event you do not have required margin. On the contrary, CFDs on "Brent Crude Oil Future" have a pre-defined expiry date and they cannot be rolled over into a new contract, if expired. Overall, CFDs are mainly intended for short-term trading and in some cases for intraday trading. You should monitor the product on an ongoing basis so as to determine when is the appropriate time to close your position(s), the closure of which can be done at any time during market hours.

How can I complain?

If you are dissatisfied with any aspect of the service provided to you by ACC, you may submit a complaint via the standard "Client Complaints Form", which can be downloaded from our website, and submitted through the following dedicated complaint submission channels:

a. **By E-mail:** complaintsfx@alfacapital.com.cy
b. **By Post:** Themistokli Dervi 3, Julia House Building, 4th Floor, P.C. 1066, Nicosia, Cyprus
c. **By Fax:** +357 22 681 505

If you are not satisfied with ACC's final decision, you may escalate your complaint to the Financial Ombudsman Service, by submitting your complaint at: complaints@financialombudsman.gov.cy

Other relevant information

In accordance with the provisions of the applicable regulatory framework, a list of important information / documents are available to you in the following link: https://alfaforex.com/en/about/documents.

This Key Information Document does not contain all information relating to the product. You should ensure that you are familiar with all the information / documentation presented on our website, prior to be engaged in CFD trading with ACC.

For any enquiries you may have, including additional information and/or documentation, such information / documentation can be provided upon your request - please refer to the link of our customers support centre: https://alfaforex.com/en/about/contacts.