

## Key Information Document

### Commodities CFDs

#### Purpose

This document provides key information about this investment product. It is not marketing material and it does not constitute as investment advice. The Key Information Document is required by law to assist in understanding the nature of; risks, costs, potential gain and losses of this product and better assist to compare with other financial products.

#### Product

**Product name:** Commodities CFDs

**Distributor and Manufacturer:** Offered by Goldenburg Group Limited (the “Company”), a company registered in Cyprus with registration number HE 328474 and authorised by Cyprus Securities and Exchange Commission (“CySEC”), with Licence Number 242/14.

#### Alert

You are about to purchase a product that is not simple and may be difficult to understand.

#### What is this product?

##### Type

A Commodity CFD is a leveraged contract, offered by the Company on a bilateral execution basis. It allows you to obtain an indirect exposure to an underlying asset. This means you will never own the underlying asset, but instead be able to make gains or incur losses based on price movements in the underlying asset. The options are to either BUY the Commodity to benefit from rising prices in the underlying market; or to SELL the Commodity to profit from the falling prices. The price of the commodity is derived from the price of the underlying market price, which may be either the current (“cash”) price or a forward (“future”) price.

##### Example

If an investor has opened a BUY position and the price of the underlying asset rises, the value of the Commodity will increase - at the end of the contract the Company will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if an investor opened a SELL position and the price of the underlying asset rises, the value of the Commodity will be increased - at the end of the contract the investor will pay the Company the difference between the closing value of the contract and the opening value of the contract. A Commodity referencing the underlying future price works in the same way except that such contracts have a pre-defined expiry date – a date upon which the contract either automatically closes or must be rolled into the next period referred to as the rollover date. The leverage embedded within all commodities has the effect of magnifying both profits and losses.

##### Objectives

The aim of the Commodity CFD is to allow an investor to take advantage from leveraged exposure to the movement in the value of the underlying market/asset (up or down), without the need to buy or sell the underlying market.

The exposure is leveraged because the Commodity CFD only requires a small percentage of the notional value of the contract to be put down in advance as initial margin and is one of the key features of trading Commodity CFDs.

| Commodity | Direction | Leverage | Position Size in Lots | Initial Margin | Open Price | Close Price | Change in % | Total Spread | Swap Paid * | Net Profit | Currency |
|-----------|-----------|----------|-----------------------|----------------|------------|-------------|-------------|--------------|-------------|------------|----------|
| XAUUSD#   | BUY       | 1:20     | 1                     | 8904.70        | 1780.94    | 1782.85     | 0.11%       | 160          | 53.5        | 137.50     | USD      |
| XAUUSD#   | SELL      | 1:20     | 0.1                   | 890.47         | 1780.94    | 1842.85     | 3.48%       | 16           | 4.9         | -624       | USD      |

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|                |      |      |     |              |            |        |       |      |     |         |     |
|----------------|------|------|-----|--------------|------------|--------|-------|------|-----|---------|-----|
| .USCoffe<br>_# | BUY  | 1:10 | 1   | 29164.<br>00 | 145.8<br>2 | 147.97 | 1.47% | 1600 | 69  | 4231.00 | USD |
| .USCoffe<br>_# | SELL | 1:10 | 0.1 | 2916.4<br>0  | 145.8<br>2 | 148.32 | 1.71% | 160  | 6.9 | -506.90 | USD |

### Instrument Specification

Below are the total aggregated costs expressed in monetary and percentage terms showing the compound effects of the total costs on the investment.

1. The total costs for this example were 213.50 USD and as such the costs reduced the trading profit by 60.83 %.
2. The total costs for this example were 20.90 USD and as such the costs contributed to the trading loss by 3.35 %.
3. The total costs for this example were 1600.69 USD and as such the costs reduced the trading profit by 28.62 %.
4. The total costs for this example were 166.90 USD and as such the costs contributed to the trading loss by 32.93 %.

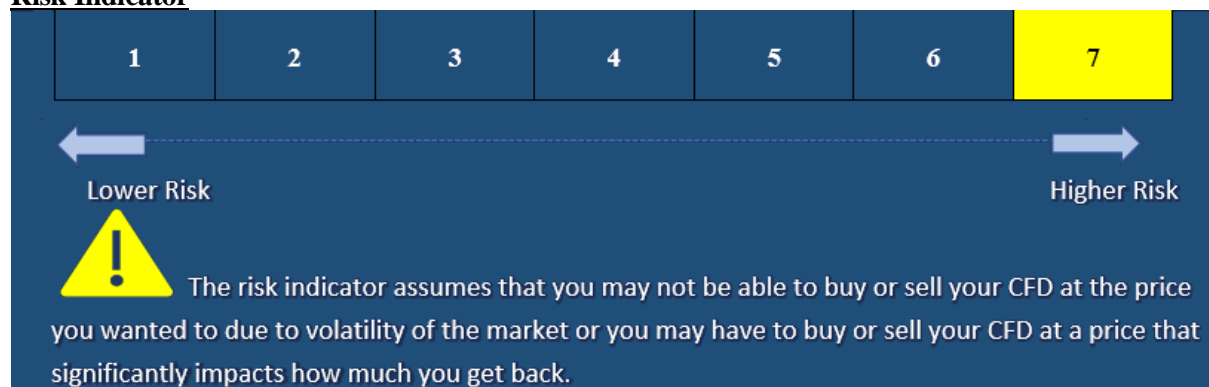
When free margin drops due to price movement in the opposite direction of the trades, one must either fund the account in-order to keep margin level above stop out (automatic system close of open order) level which is at 50% of margin level, or close position(s) to avoid being stopped out, i.e., automatic close of open position(s). Margin Call notification is communicated through a durable medium when margin level falls below 100%. In the case of Futures Contract CFD's, the investor has the option to either close position on the pre-determined expiry date which is available on the website and communicated via durable medium or can allow for the symbol to 'Rollover' to the new contract. Depending on the direction of the trade BUY/SELL and the close price of the current contract to the open price of the new contract the trading account will either receive a credit or debit to compensate the difference and the system is automated. With Commodity CFD's there is no delivery of the underlying asset.

**\*The Company also retains the ability to unilaterally terminate any Commodity CFD contract where it deems that the terms of the contract have been breached.**

### Intended Retail Investor

Commodity CFDs are available for investors who have knowledge for the financial markets, and they are expected to have trading experience with leveraged products in the past. It is anticipated that the investors will have an understanding on how the prices of commodity CFDs are derived, the key concepts of margin and how leverage works. Moreover, they must understand that trading leveraged products might cause a loss of their entire invested capital and they must have the ability to bear losses.

### Risk Indicator



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The Risk indicator represents the risk involved in these products compared to other products. It illustrates the possibilities of how a movement of price of the product can lead to financial loss for the investor. The Risk indicator has been set to the Highest level. The rate indicates the potential losses from the product future performance. Commodity CFDs are leveraged and risky products that can cause losses. Losses cannot exceed the amount invested (negative balance protection), however you may lose your entire invested capital. There is no capital protection against market risk, credit risk and/or liquidity risk.

### Currency Risk

It is possible to BUY or SELL Commodity CFDs in a different currency from the currency of your account. The final pay-out that you might receive depends on the exchange rate between the two currencies.

### Tax residence

The tax legislation of the retail investor's country of residence/ tax residence may have an impact on the actual pay-out.

### Performance Scenarios

The below scenarios were demonstrated to provide information on how an investment may perform. This allows for comparisons between the products and demonstrates their scenarios in order to identify which product is more suitable. The scenarios presented are an approximate future performance based on evidence from the past performance on how the value of this investment differs and are not an exact indicator. The outcome will be based on the market performance and how long the position is held open on the commodity CFD. The stress scenario indicates the possible outcome in extreme market circumstances. **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 return. Actual returns could be lower.**

### Scenario

| CFD  |        |
|--|--------|
| Opening price: P   | 600    |
| Trade Size (per CFD): TS                                     | 5      |
| Margin %: M  | 10%    |
| Contract Size: K   | 50     |
| Margin Requirement (€): $MR = P \times TS \times M \times K$ | 15000  |
| Notional Value of the trade (€): $TN = MR / M$               | 150000 |

**Table 1**

| <b>BUY</b><br>Performance<br>Scenario | Closing price<br>(incl. spread) | Price<br>change | Profit/<br>Loss | <b>SELL</b><br>Performance<br>Scenario | Closing price<br>(incl. spread) | Price<br>change | Profit/<br>Loss |
|---------------------------------------|---------------------------------|-----------------|-----------------|--|---------------------------------|-----------------|-----------------|
| Favourable                            | 609 €                           | 1.5 %           | 2,250 €         | Favourable                             | 591 €                           | 1,50 %          | 2,250 €         |
| Moderate                              | 604.5 €                         | 0.75 %          | 1,125 €         | Moderate                               | 595,5 €                         | 0,75 %          | 1,125 €         |
| Unfavourable                          | 591 €                           | -1.5 %          | -2,250 €        | Unfavourable                           | 609 €                           | -1,50 %         | -2,250 €        |
| Stress                                | 570 €                           | -5 %            | -7,500 €        | Stress                                 | 630 €                           | 5 %             | -7,500 €        |

### What happens if the Company is unable to pay-out?

The Company segregates clients' funds from its own, in accordance with the Law 87(I)2017 and the related Directive of the Cyprus Securities and Exchange Commission for the Safeguarding of financial instruments and funds belonging to clients. Moreover, the Company participates in the Investor Compensation Fund (ICF). The total payable compensation to each covered Client of the Company may not exceed the amount of twenty thousand Euros (20 000 €). Please refer to Cyprus and Securities and Exchange Commission website [www.cysec.gov.cy](http://www.cysec.gov.cy).

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### What are the Costs?

|                                    |                            |   |
|------------------------------------|----------------------------|---|
| <b>One-off Entry or exit Costs</b> | <b>Spread</b>              | The Difference between the Sell Price and Buy price   |
|                                    | <b>Minimum Commission</b>  | The minimum fee charged for the service carrying out the transaction (it refers to stocks ONLY)   |
|                                    | <b>Currency conversion</b> | This is the cost for converting realized profits and losses as well as any costs and charges that are denominated in a currency other than the base currency of your trading account. |
| <b>On-going Costs</b>              | <b>Swaps</b>               | If a BUY or SELL position is open after 'market close', that open position will be subject to a Swap Fee.   |
| <b>Incidental costs</b>            | <b>Tax</b>                 | The tax legislation of the retail investor's country of residence/ tax residence may have an impact on the actual pay-out.  |

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

Commodity CFDs have no recommended holding period. Provided that the Company is open for trading the investor may BUY and/or SELL the commodity CFD provided that the markets are available for trading. Please review all the financial instruments and their trading hours at [www.toptrader.eu](http://www.toptrader.eu)

### How can I complain?

For complete details of the complaint process please read '[Complaint Procedure for Clients](#)'

**Other Relevant information** We encourage our clients to read the Terms of Business, Risk Disclosure and Warning Notice and the Best Interest and Order Execution Policy. You can find the mentioned documents, under the section [legal documents](#). This information is also available upon request.

Date of the last review: March 2023