This document provides you with key investor information about this 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 investing in this product. Investors are advised to read this document, so they can make an informed decision about whether to invest. HYCM identifies this product as complex and as such it may be difficult for investors with no experience and/or no knowledge to understand.

Product - CFD on Commodities

These products are manufactured and distributed by HYCM (Europe) Ltd, CIF: 259/14, which is a subsidiary of the Henyep Group.
Call +35725245750 or visit www.hycm.eu for more information.

Date of Production: 03.01.2018 Date of Last Update: 01.11.2021

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

What is this product?

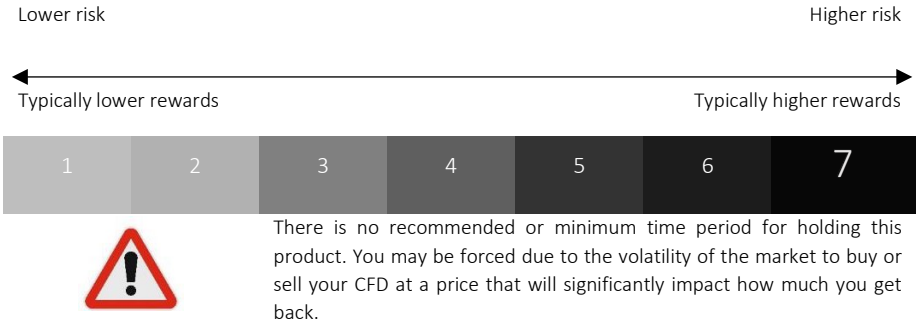
Type
A Contract for Difference (CFD) is an Over the Counter (OTC) leveraged financial instrument which value is determined based on the value of an underlying asset. The leverage effect is a typical characteristic of a CFD.

Objectives
The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying commodity (whether that be upwards or downwards), without the need to actually buy, sell or otherwise transfer the physical commodity. The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be put down upfront as initial margin.
For every point the price of the product moves in the investor's favour, a gain multiple of the number of CFD units bought or sold are achieved. At every point the price moves against the investor, a loss will be incurred. For example, if you believe the value of Gold CFD is going to increase, you would buy a number of CFDs (also known as "going long"), with the intention to later sell them when they are at a higher value. The difference between the buy and sell prices equates to your profit, minus any relevant costs (detailed below). If you think the value of the Gold CFD is going to decrease, you would sell a number of CFDs (also known as "going short") at a specific value, expecting to later buy them back at a lower price, resulting in us paying you the difference, minus any relevant costs (detailed below). However, in either circumstance if the Gold CFD moves in the opposite direction and your position is closed, either by you or as a result of a margin call (detailed below), you would owe us the amount of any loss you have incurred together with any costs. To open a position and to protect us against any losses you incur, you are required to deposit a percentage of the total value of the contract in your account. This is referred to as the margin requirement. Trading on margin can enhance any losses or profits you make.

Intended Retail Investor
Trading these products will not be appropriate for everyone. We would normally expect these products to be used by persons who: a) have risk tolerance; b) are trading with money they can afford to lose; c) have experience with, and are comfortable trading on, financial markets and understand the impact of and risks associated with margin trading and d) their investment goals vary according to their needs from generally, speculation and short term exposure to the financial market/instrument to investment and long term exposure

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

The risk and reward Indicator



There is no recommended or minimum time period for holding this product. You may be forced due to the volatility of the market to buy or sell your CFD at a price that will significantly impact 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. Products that appear in a lower category do not guarantee a risk-free investment. These products are in this category because it can take higher risks in search of higher rewards and their price may rise and fall accordingly. 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 movement, can generate losses

rapidly There is no capital protection against market, credit or liquidity risks.
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. The final return you may get depends on the exchange rate between the two currencies. For example, maintaining a trading account in US Dollars and trading in CFDs that are not priced in US Dollars are subject to foreign exchange risks. This risk is not considered in the indicator shown above. In some circumstances you may need to make additional payments to compensate for losses. If the margin in your account falls below 50% of the total initial margin required for all the CFDs in your account, then we must close one or more of your positions. You could, therefore, lose your entire investment. However, the total loss you may incur will never exceed your invested amount. The Company offers Negative Balance Protection to its Clients.

Performance Scenarios
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. Any returns you receive depend on how the market performs and how long you hold the CFD for. Actual returns could be lower. The figures do not take into account your personal tax situation, which may also affect how much you get back. The stress scenario signifies what you may receive in extreme market circumstances and does not take into account a situation where we are not able to pay you. Table 1 below shows the money you could potentially profit or lose under different scenarios. Each of the performance scenarios is based on an account with only one open position. However, each scenario will also be impacted by any other open position(s) you have with us. The scenarios also assume you do not make any further deposits on your account to meet margin calls. Assuming you decide to buy 1 CFD lot of Gold at 1635.6 you will have notional exposure to the underlying asset of $163,560. To cover the margin requirement, you will have to deposit at least $8,178 which is 5% leading to a leverage of 1:20. In this scenario the Gold has a tick position of 0.01, therefore multiplying the contract size by the tick position will result in how much you will make or lose for every tick movement, i.e. 1 USD.

Commodities

Name	Symbol	Min. Spread	Lot Size	Min. Trade Size	Min. Fluctuation	Value Per Tick	Margin Req.	Margin Curr.	Leverage
Gold CFD	GOLDmmyy	0.50	100 ozs	1 oz	0.01 USD	1.00 USD	5%	USD	1:20

Gold CFD (Held Intraday)		
Gold CFD Opening Price	P	1635.6
Trade size	T S	100 ozs
Margin %	M	5%
Margin Requirement (USD)	MR = P x TS x M	$8,178
Notional value of the trade	TN = MR/M	$163,560
Positive or Negative Slippage	(+2) pips applied on closing price	P/L includes slippage

Table 1

LONG Performance Scenario	Closing Price	Price Change	Profit/Loss	SHORT Performance Scenario	Closing Price	Price Change	Profit/Loss
Favourable	1660.33 (+0.2)	1.50%	$2.473	Favourable	1610.87 (-0.2)	-1.50%	$2,473
Moderate	1643.98 (+0.2)	0.50%	$838	Moderate	1627.22 (-0.2)	-0.50%	$838
Unfavourable	1610.87 (-0.2)	-1.50%	-$2,473	Unfavourable	1660.33 (+0.0002)	1.50%	-$2.473
Stress	1553.62 (-0.2)	-5%	-$8,198	Stress	1717.58 (+0.2)	5%	-$8.198

What happens if HYCM is unable to pay out?

If HYCM is unable to meet its financial obligations to you, you may lose the value of your investment., HYCM is a member of the Investor Compensation Fund (ICF) for the Clients of CIFs. As such, in the event that HYCM becomes insolvent and is unable to pay out to its clients, retail clients may be eligible to a compensation of either 90% of the cumulative covered claims of the covered investor or the amount of 20,000 EUR, whichever is lower.

What are the costs?

The reduction in returns shows what impact the total costs you pay will have on the return you might get on your investment. The total costs take into account the one-off, ongoing and incidental costs. The amounts shown are the cumulative costs of the product, for three different holding periods. The figures assume you invest USD 1 000 and buy 1 lot of Gold CFD. The figures are estimates and may change in the future.

Investment (US$1,000) Scenarios 1 lot Gold CFD BUY	If you close the position the same day (Intraday)	If you close the position after 1 day	If you close the position after 10 days
Total costs	[6.00%]	[6.00%]	[6.00%]

The below table shows the different types of cost categories and their meaning as well as the impact these may have on your investment. Indicative examples of our costs and charges can be found on our website.

One-off Entry and Exit costs	Spread	5.0%	The difference between the buy price ("offer price") and the sell price ("bid price") is called the spread. This cost is realised each time you open and close a trade. A fixed spread is offered in most circumstances. A dynamic spread is applicable to certain product offerings. For example: GOLD CFD is trading at 1612.20 Sell (Bid) and 1612.70 Buy (Ask) the difference is 0.50 which is 5 pips and equal to $ 50 cost for opening a trade (a round lot)
	Currency Conversion	N/A	Any cash, realised 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	2.0%	You may be charged a commission on each trade. For all types of CFDs offered, the commission is not incorporated into the quoted price and instead will be agreed with you before entering into any transaction and will be shown on the statement sent to you. In such an event, the Commissions will be charged to the Account. Commissions and charges may be changed from time to time without prior notice. For example: trading GOLD CFD on Raw account type you will see Bid/Ask price 1312.20/1312.50 spread cost will be $ 30 and $ 20 commission for a round lot.
	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	Rollover Fee	N/A	For every night that a position is held open, a rollover (swap) fee is applied. The rollover fee can be positive or negative depending on the direction of an investor's position and the applicable interest rate. The longer the position is held, the more rollover charges will accrue. HYCM doesn't apply charges for keeping Commodity trades overnight (swap rate 0%). Please refer to our Cost and Charges for more elaborative examples.
Other Costs	Dormant Fees	Fixed Cost	An account is considered dormant or inactive if there has been no activity for a continuous period of 90 days. These accounts will be charged an administration fee of US $10.00 (or the equivalent value in the account base currency) every month until account activity resumes; the account is closed; or if the account balance reaches zero (0).
	Withdraw Fees	Fixed Cost	Withdrawals via Wire Transfer of less than US$300 are charged with a handling fee of US$30. Please also note that the sending and correspondent bank may charge a fee according to their own fee structure.
	Deposit Fees	N/A	HYCM will not apply any charges for depositing funds into the Account. Depositing funds can be done either by credit card payment, bank transfer or any other available payment options we offer online. Please note that when depositing via Wire Transfer, the sending and correspondent bank may charge a fee according to their own fee structure
Incidental Costs	Slippage	1.00%	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. For example: trading Gold and you want to close your trade with the price 1312.20 but the system executed with the next available price 1312.30 or 1312.10 which may result your trade with $10 more profit or loss.

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

There is no recommended holding period but CFDs are usually held for less than 24 hours. You can open and close a CFD on an FX Pair at any time during market hours. There is no cancellation period and therefore no cancellation fees. CFDs will expire when the investor chooses to exit the product or in the event the investor does not have available margin.

How can I complain?

In the event of a complaint arising the Compliance department is responsible for the supervision of the complaints resolution process and can be contacted at the following address: *The Compliance Officer, HYCM (Europe) Ltd, Spyrou Kyprianou 47, the Noble Center, 4th Floor, Mesa Geitonia, Limassol, CY-4003* or by emailing: complaints@hycm.com. If you are not satisfied with our response to your complaint, you may refer the complaint to the Financial Ombudsman of the Republic of Cyprus. For more information please visit the Company's website to view the Complaints Handling Policy.

Other relevant information

Investors must check Terms of Business and Legal Documents regularly, they can be updated them at any time without prior notice. Investors must agree to any changes if they wish to continue to use the services or features of the trading platform after the terms and conditions have been updated.