

## PURPOSE

This document provides the client with key information about CFDs on **Commodities** as a financial instrument. It is not marketing material. The information is required by law to help clients understand the nature, risks, costs, potential gains, and losses of this product and to help clients compare it with other products.

## PRODUCT

**Product Manufacturer:** Windsor Brokers Ltd. ("Windsor Brokers", "Company")

**Website:** [www.windsorbrokers.eu](http://www.windsorbrokers.eu)

**Telephone number for additional information:** +357 25 500505

**Supervisory Authority:** Cyprus Security & Exchange Commission ("CySEC") with license number 030/04

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**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 which allows clients to speculate on the price difference of the underlying asset/financial instrument. Clients have the ability to buy (or go "Long") the CFD to benefit from rising prices in the underlying asset/financial instrument; or to sell (or go "short") the CFD to benefit from falling prices. The price of the CFD is derived from the price of the underlying market price of the asset/financial instrument, which may be either the current ("spot") price or a forward ("future") price. For instance, if clients carry "long" position and the price of the underlying asset/financial instrument rises, the value of the CFD will increase, and, as such, clients could close the position with the beneficial outcome, the difference between the "closing" and "opening" price of the CFD is positive. Conversely, if clients carry "long" position and the price of the underlying asset/financial instrument falls, the value of the CFD will decrease and, as such, clients could close the position with the negative outcome, the difference between the "closing" and "opening" price of the CFD is negative. The leverage embedded within CFDs has the effect of magnifying both profits and losses. The potential profit is also affected by the costs charged by the Company, as detailed below. The CFD is settled in cash only and the Client has no rights whatsoever on the actual underlying asset.

### OBJECTIVE

The objective of trading CFDs is to allow clients to transact with leveraged exposure of the movement in the value of the underlying asset/financial instrument (either up or down), without "buying" or "selling" the underlying asset/financial instrument. The exposure is leveraged since the CFD only requires a proportion of the notional value of the contract to be used as an initial margin, which is one of the key features of trading CFDs. CFDs based on "cash" prices do not have a pre-defined maturity date and is therefore open-ended; by contrast, a CFDs based on "future" prices have a pre-defined expiry date however the open positions are "rolled over" to the next tradable contract month. As a result, there is no pre-defined holding period for either type of CFDs, and it is at the discretion of clients to determine the holding period, based on their own strategy and objectives. In cases where the price movement of the CFD is in the opposite direction from the expected and the equity of clients' accounts reduces, i.e. loss exceeds the initial margin requirements, failure to deposit additional funds, in order to meet the margin requirement, may result for clients' accounts to be stopped out. In cases where the CFD is based on the "future" price of the undersigned asset/financial instruments, subjected to "roll over", in the event where clients fail to maintain sufficient funds for the margin requirement, the CFD will be automatically closed at the expiry date. The Company retains the ability to unilaterally terminate any CFD contract when/where it deems that the terms of the agreement, between the Company and client, have been breached.

### INTENDED RETAIL CLIENT

Commodities CFDs are intended for clients who wish to make directional transactions and take advantage of short-term price movements on the aggregate performance of the underlying basket of assets and have the ability to sustain the risk of loss of their entire invested amount within a short period of time. Clients need to understand how the prices of CFDs are derived, the key concepts of margin, leveraged trading, costs, and the fact that losses may exceed the initial amount invested, the risk/reward profile of CFDs compared to traditional trading without leverage, and have the ability to bear losses equal to their entire investment amount within a short period of time.

## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

### RISK INDICATOR



The risk indicator assumes that 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 buy or sell your CFD at a price that significantly impacts how much you get back.

The risk indicator above refers to the level assigned to trading with CFDs, compared to trading with financial instruments which are not leveraged. CFDs are classified as the financial instruments with the highest risks, 7 out of 7. This indicates the potential losses at a very high level. It is possible to buy or sell CFDs in a currency different from the base currency of clients' accounts. The outcome of the transaction may depend on the exchange rate between the currencies. This product does not include any protection from future market performance so you could lose some or all of your investment.

## PERFORMANCE SCENARIOS (assuming no Overnight Financing effects)

**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.**

Client is choosing on his/her own initiative the type of the CFD and its direction (to "buy" "sell", when to trade, i.e. "open" and "close" open positions, the size of positions, whether to use any risk mitigation features (such as stop loss orders, reducing leverage etc.). Each open position is impacted by any other open position that is held open, exchange rate, number of lots, market conditions etc., which may have a material impact on the risk and return of relevant transactions.

The example below shows a scenario based upon the purchase of 1 lot on USCRUDE CFD (1 Lot = 1000 Barrels)

USCRUDE CFD (held intraday)		
USCRUDE CFD opening price:	(P)	51.40
Trade size (per CFD):	(TS)	1 LOT (1000 Barrels)
Margin %:	(M)	10%
Leverage:	(L)	1:10
Margin Requirement (\$):	$MR = P \times TS \times M$	\$5,140
Notional value of the trade (\$):	$TN = MR \times L$	\$51,140

BUY/LONG Performance Scenario	Closing Price (inc. spread)	Price change	Profit/Loss	SELL/SHORT Performance Scenario	Closing price (inc. spread)	Price change	Profit/Loss
Favourable	[52.94]	3%	+1540\$	Favourable	[49.86]	-3%	+1540\$
Moderate	[52.17]	1.5%	+770\$	Moderate	[50.63]	-1.5%	+770\$
Unfavourable	[49.86]	-3%	-1540\$*	Unfavourable	[52.94]	3%	-1540\$*
Stress	[48.32]	-6%	-3080\$*	Stress	[54.48]	6%	-3080\$*

The scenarios above illustrate how the example transaction could perform, depending on the market move for the relevant financial instrument. The figures above display the costs related to the transaction, as per the market condition of the asset/financial instrument, however, do not include the costs related to commissions, swaps and/or roll overs, agents, or tax. Open CFD transactions may be hedged and/or closed in cases where minimum margin requirement is not maintained. The client may lose their entire invested capital. If the client has been sold this product by someone else or has a third party advising them about this product, these figures do not include any cost that you pay to them. The figures do not take into account the client's personal tax situation, which may also affect how much they get back.

**\* Due to the Company's Negative Balance Protection policy, clients will not lose more than they have deposited.**

**"French residents only:** In accordance with the Autorité des marchés financiers (AMF) requirements, all CFD have intrinsic protection and will be closed when losses reach the required margin for opening the position."

### WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY OUT?

In the event that the Company becomes insolvent, retail clients may be eligible to claim compensation of up to €20,000 through the Investor Compensation Fund set up by CySEC. Further information about the Investor Compensation Fund can be found [here](#).

### WHAT ARE THE COSTS?

The table below shows the different costs that clients may incur on Commodities CFDs.

<b>"One off" costs</b>	Spread	This is the difference between the "buy" and "sell" price offered for trading.
	Commission	This is a commission charged when you buy or sell a CFD based on the lot size of your trade. More information can be found inside the Company's client portal.
	Currency conversion	Realised and unrealised profits/losses are automatically converted/denominated into the basic currency of accounts.
<b>"Ongoing" costs</b>	Roll overs/Swap Rates or Storage	Positions held open overnight are subjected to the Swap Rates, amounts charged/ paid, based upon the interest differentials for borrowing or lending one currency against another. However, accounts not subjected to the Swaps charges are subjected to "Storage" charge, a fixed, negative amount, always charged to clients' accounts.

### HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

CFDs are intended for short-term trading, in some cases intraday trading, and are generally not suitable for long-term investments. There is no recommended holding period and no cancellation period. Clients can open and close a Commodities CFD at any time during the market trading hours of each Commodities CFD.

### HOW CAN I COMPLAIN?

To submit a complaint, clients should send a description and the date the incident has occurred along with any supporting documentation to [compliance@windsorbrokers.eu](mailto:compliance@windsorbrokers.eu). If the client does not feel that their complaint has been resolved satisfactorily, they may refer their complaint to the Financial Ombudsman of the Republic of Cyprus. Please refer to the Company's [Complaint Handling Process](#) for further information.

### OTHER RELEVANT INFORMATION?

This KID provides a summary of the information related to trading with CFDs and should not be considered to contain all details and information relating to this product. It is designed to inform clients before making the decision for trading CFDs. This KID should not be considered as investment advice. Before opening an account and transacting, the client should read all documentation forming part of the agreement between the Company and the client, including, without limitation, the following: [Client Account Agreement](#) (including the Online Access Agreement and Mobile Trading Agreement included therein as Appendices), [Risk Statement](#), [Trading Conditions](#) and [Product Outline](#).