KLEIS EU LTD (KEY TO TRADING)

Key Information Document- CFD on COMMODITIES

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

Name of the Product: Contract for Differences

Name of the Manufacturer: Kleis EU Ltd ("the Company"), which is authorised and regulated by the Cyprus Securities and Exchange Commission under the licence number 436/23. For more information visit the Company's website at https://www.keytotrading.com

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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 product entered into with the Company on a bilateral basis. It is a derivative product with an underlying asset as its basis. With a CFD, you trade on the price development of nearly every underlying asset, including those which are considered difficult or nearly impossible to trade. The profit or loss is calculated by determining the difference in position opening and closing price of the underlying asset which can be a currency, commodity, index, share etc.

A CFD is a leveraged product, which means you only pay a margin (collateral), which corresponds to a fraction of the actual position value. Through this leverage, you have the opportunity to move large volumes with little capital outlay, which means that small price movements can create high profits. When opening a CFD position, you decide if you want to invest in rising or falling prices for the underlying asset. Once you close and open a CFD position, the price change will be determined. At closing the difference between the price at the opening of the position and the price at the closing of the position will be calculated. The difference multiplied by your traded volume determines your profit or loss, depending on if it has been set for falling or rising. Unless you are trading a futures contract on certain commodities, CFDs have no natural expiration time.

Objectives

The objective of trading CFDs is to speculate on the price movement generally over a short-term trading. It allows investors to have a leveraged exposure on an underlying instrument without the need to buy the actually instrument.

Given the leveraged nature of a CFD trading the investor has to deposit only a portion of the notional value of the contract traded as initial margin. For example, if an investor deposit 5000 euro and opens 100 on Brend Oil with a leverage on the account at 1:10 then it will require an initial margin of 706.78 euro. In case of any negative price movement, the investor will be losing 0.930 per each tick move.

You will need to have adequate balance in your account and where applicable deposit additional funds in order to avoid any closures on your open positions or reach a stop out.

Intended Retail Investor

CFDs are intended for investors who have the necessary trading experience and/or investment knowledge with leveraged products. Investors should only trade with capital they can afford to lose. Investors should be aware and knowledgeable that trading on the Company's products could result in them losing all the funds deposited for trading (including any profits in the account). The investors will understand the risk/reward profile of the product compared to the traditional shares trading. Given the risky nature of the Company's products, investors can have high returns as well as high loses in a short period of time.

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

Summary Risk Indicator (SRI)

1	2	3	4	5	6	**7**

Lower Risk **Higher Risk**

The risk indicator assumes that you may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back. There is no minimum or recommended period you hold your investment/trade

Due to the trading characteristics, this product obtains the highest risk scoring which is 7 out of 7.

CFDs are traded on margin and carry a risk of losing all your initial deposit and/or investment. You should maintain adequate margin in your account to avoid any stop outs and keep your position(s) open.

Before deciding to trade on margin products you should consider your investment objectives, risk tolerance and your level of experience on these products. Trading in CFDs is highly speculative and carries a high level of risk. It is possible to lose all your capital. These products may not be suitable for everyone, and you should ensure that you understand the risks involved. Seek independent advice if necessary. Speculate only with funds that you can afford to lose. For more information, please refer to the Company's Risk Disclosure.

Be aware of currency risk: If your account currency is different to the profit or loss currency (in this case USD) then you will also have additional currency risk in trading this product dependent on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. The total loss cannot exceed the amount deposited from Retail Customers with us as we offer Negative Balance Equity Protection ("NBP").

Performance Scenarios

The Key Information Document applies to any CFD instrument. For each trade, you will be responsible for choosing the instrument, when you open and close, the trade size and whether to use any risk mitigation features (such as stop loss orders). Each instrument has different characteristics such as lot sizes (number of units e.g., CFD on Commodities are traded on 100 units) or pip value (price move). Further details can be found in the Company's website under https://www.keytotrading.com/trading-conditions.

The scenarios below include only a price movement and under the stress scenario the position goes on stop out with a 50% margin level (margin level = equity / margin).

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.

Assumptions used:

CFD on a Commodity e.g. Brent Oil with leverage 1:10		
Opening Price	OP	75.99
Trade size (per CFD)	TS	1 lot
Margin percentage	M	10%
Margin Required	MR=OP x TS x M x LS	706.78€
Notional value of the trade	N	7067.85€
Account Currency	€	EUR
Equity	E	15,000€

Performance scenarios:

LONG Performance Scenario	Closing Price (incl. spread)	Price Change	Profit/ Loss
Favourable	77.13	1.5%	106€
Moderate	75.99	0.0%	0€
Unfavourable	72.19	-5%	(353€)
Stress	68.39	-10%	(707€)

SHORT Performance Scenario	Closing Price (incl. spread)	Price Change	Profit/ Loss
Favourable	74.85	-1.5%	106€
Moderate	75.99	0%	0€
Unfavourable	79.79	5%	(353€)
Stress	83.59	10%	(707€)

*. Amounts converted using EUR/USD 1.07515

**. The loss is restricted to your trading position – the stop loss level is 50% of your margin

What happens if the Company is unable to pay out?

In the case where the Company is unable to pay out its financial obligation then you may lose the entire value of your investment (e.g. account balance held with the Company). However, the Company segregates all retail clients' funds from its own funds in accordance with the CySEC's rules on safeguarding of financial instruments and funds belonging to clients. The Company is also a member of the Investor Compensation Fund, which covers eligible clients up to a maximum of €20,000 per person. Further details can be found in the Company's Investors Compensation Fund Notice.

What are the costs?

Depending on the product you trade, you may incur some or all of the following costs:

This table shows the different types of costs related to trading CFDs			
One-off entry or exit costs	Spread	Applicable to all instruments	A spread is the difference between the bid (sell) and the ask (buy) price on the specific instrument you trade. This cost is realised every time you open and close a trade.
	Commission	Applicable only to CFDs on futures and CFDs on shares	This is the commission you pay when you buy and sell an instrument.
	Currency conversion	Applicable to all instruments	This is the cost for converting realised 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.
Ongoing costs	Swap (Financing Fee)	Applicable to all instruments	This is the swap cost for keeping your position open overnight. The swap cost can be positive or negative depending on the instrument to be traded.

More specific details on the costs and charges can be found on the Company's Order's Execution Policy and through the specifications of each instruments.

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

CFDs are mainly intended for short-term trading and in some cases for intraday trading. In general, CFDs are not suitable for long-term investments. Some investors may also hold CFDs positions for hedging or speculative trading. There is no recommended holding period, no cancellation period and therefore no cancellation fees. Investors can trade (open and close) on CFDs at any time during market trading hours.

How can I complain?

You should submit a complaint to the Company via process described in the Company's complaint handling policy found at https://www.keytotrading.com/legal-documents/. The Company will issue reference number, upon review of the submitted form, and you should use this unique reference number in any future correspondence regarding the complaint. If you are not satisfied with the Company's final decision then you can submit a complaint to the Financial Ombudsman at http://www.financialombudsman.gov.cy

Other relevant information

Additional important documents such as Client's agreement, Order execution Policy, Privacy Policy, Risk Disclosure, Pillar III Disclosures etc can be found in the Company's website under "Legal Documents" https://www.keytotrading.com/legal-documents/. These are important documents for you to read and understand prior entering into a business relationship with the Company by opening a trading account.