

Key Information Document

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

Product Name Treasury and Commodity CFD's (Contracts for Difference).

Product manufacturer AGMMarkets Ltd ("AGM"), a company registered and organized under the laws of Cyprus, authorized by the Cyprus Securities and Exchange Commission, license number 145/11.

Further information You can find more information about AGM CFD's products in our CFD product guide. We encourage you to visit our website <https://www.agmmarkets.com>. AGM's customer support team is available via phone, email or live chat.

This document was last updated on [1 January 2018].

Risk Warning

Our service includes products that are traded on margin and carry a risk of losses in excess of your deposited funds. The products may not be suitable for all investors. Please ensure that you fully understand the risks involved.

What is this product?

Type

This document relates to products known as 'contracts for difference', which are also known as **CFDs**. A CFD allows you to obtain an indirect exposure to an underlying asset such as a security, commodity or index. This means you will never own the underlying asset, but you will make gains or suffer losses as a result of price movements in the underlying asset to which you have the indirect exposure.

There are many types of CFD's this document provides key information on Treasury CFD's (AGM only offer the Bund) and Commodity CFD's where the underlying investment option that you choose is a physical asset such as Gold or Oil.

You can visit AGM's [website](#) for information on the underlying assets available to trade at AGM.

Objectives

The objective of trading CFDs is to speculate on price movements (generally over the short term) in an underlying asset by obtaining an indirect exposure to the underlying asset. Your return depends on movements in the price of the instrument and the number of contracts opened (size of your stake).

For example, if you believe the value of a commodity is going to increase, you could buy a one or more contracts of that commodity CFD (this is also known as "going long"), with the intention to later sell them (and subsequently close the trade) when they are at a higher value. The difference between the price at which you buy and the price at which you subsequently sell equates to your profit, minus any relevant costs (detailed below).

If you think the value of a commodity is going to decrease, you could sell a number of CFD contracts (this is also known as "going short") at a specific value, expecting to later buy them back at a lower price than you previously agreed to sell them for.

However, in either circumstance if the commodity price moves in the opposite direction and your position is closed, either by you or as a result of a margin call (detailed below), your account would be debited for the loss of the trade plus any relevant costs.

To open a position and to protect us against any losses you incur, you are required to deposit a portion of the total value of the contract in your account. This is referred to as the margin requirement (see further below). Trading on margin can enhance any losses or gains 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:

- (i) have a high risk tolerance;
- (ii) are trading with money they can afford to lose;
- (iii) have experience with, and are comfortable trading on, financial markets and, separately, understand the impact of and risks associated with margin trading; and
- (iv) want to generally gain short term exposures to financial instruments/markets, and have a diversified investment and savings portfolio.

Term

AGM's Gold (XAU/USD) and Silver (XAG/USD) CFDs have no maturity date or minimum holding period. You decide when to open and close your positions.

All other Treasury and Commodity CFD's have a periodic expiration (in most cases Monthly or Quarterly).

Clients that hold an open position on the 'AGM Expiration' will be closed at our bid/offer at 17:00 EST, which means the client will realise any floating P/L at the time it is closed. When a CFD expires, all pending Stop and Limit orders that are associated with the expiring contract will be cancelled. Clients will need to re-establish another position if desired after the expiration and reinsert Stop and Limit orders to the new open position.

AGM may close your position without seeking your prior consent if you do not maintain sufficient margin in your account (more information below)

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

Risk Indicator



The summary risk indicator is a guide to the level of risk of these products 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 these products as 7 out of 7, which is the highest risk class. This is because there is a chance that you could lose more than your initial investment.

CFD trading requires you to maintain a certain level of funds in your account to keep your positions open. This is called margin. You will be able to open a position by depositing only a small portion of the notional value of the position, creating a leveraged position. Leverage can significantly magnify your gains and losses as products that are traded on margin carry a **risk of losses in excess of your deposited funds**

Margin can be thought of as a good faith deposit required to maintain open positions. This is not a fee or a transaction cost, it is simply a portion of your account equity set aside and allocated as a margin deposit. Margin requirements (per 1 Contract for CFDs) are determined by taking a percentage of the notional trade size plus a small cushion. A cushion is added to help alleviate daily/weekly fluctuations.

AGM Margin Requirements are updated monthly and can be increased temporarily to mitigate risks prior to major market events or in increasingly volatile markets. Current margin requirements will differ depending on account type and can be viewed in the dealing rates and create order windows on the trading station platform or by clicking here.

Margin Call's will occur when the equity of the account falls below the required margin. Depending on your account type and/or trading platform a margin call may liquidate all open the positions on your account or may only close specific positions.

AGM process all liquidations for CFD products automatically, for more information on how Margin Calls work we encourage you to review our execution risks.

AGM aims to provide clients with the best execution available and to get all orders filled at the requested rate. However, there are times when, due to an increase in volatility or volume, orders may be subject to slippage. Slippage most commonly occurs during fundamental news events or periods of limited liquidity. During periods such as these, your order type, quantity demanded, and specific order instructions can have an impact on the overall execution you receive.

CFD trading is decentralised and pricing will vary from broker to broker. AGM's CFD's are not listed on any exchange, and the prices and other conditions are set by AGM in accordance with our best execution policy. CFD contracts can be closed only with AGM, and are not transferable to any other provider. If you have multiple positions your risk is cumulative and not limited to one position.

Performance Scenarios

This key information document is not specific to a particular product. It applies to a CFD on any treasury or commodity product. For each CFD trade you enter, you will be responsible for choosing the instrument, when you open and close, the size (risk) and whether to use any risk mitigation features (such as stop loss orders).

Each instrument has a different pip cost (value risked for every change of a certain digit in price) associated to it.

This table shows potential profit and loss under different scenarios. The scenarios assume you have a starting equity of 1000 and choose to buy/sell 100 Commodity or Treasury CFD contracts. This particular CFD contract has a pip cost of 0.1 per contract, meaning in this case you will make or lose 10 for every pip the price moves. A pip on this instrument is second digit after the decimal place. The price at which you can buy is 100.00.

The below table does not include overnight holding costs (discussed further below).

Scenarios		Trade P/L	New Equity
Stress scenario: You go long and the price falls by 30 pips and you then receive a margin call	Open Price: 100.000 Close Price: 99.700	-300	700 Δ -30%

Unfavourable scenario: You go short and price increase by 7 pips and you exit the position.	Open Price: 100.000 Close Price: 100.070	-70	930 Δ -7%
Moderate scenario: You go long or short and exit the position at the same rate you entered	Open Price: 100.000 Close Price: 100.000	0	1000 Δ 0%
Favourable scenario: You go Long and price increases by 5 pips and you exit the position	Open Price: 100.000 Close Price: 100.050	50	1050 Δ +5%

What happens if AGM is unable to pay out?

If AGM is unable to meet its financial obligations to you, this could cause you to lose the value of any CFDs you have with AGM. AGM segregates your funds from its own money in accordance with the CySec's Client Asset rules.

What are the costs?

This table shows the different types of costs involved when you trade Treasury and Commodity CFD products

One off costs	Spread	The spread is the difference between the buy (ask) and sell (bid) price quoted. For example, if the instrument is trading at 100, our Ask price (the price at which you can buy) might be 101 and our bid price (the price at which you can sell) might be 99.
Ongoing costs	Rollover (XAU/USD and XAG/USD)	<p>Rollover is the interest paid for holding a position overnight.</p> <p>Any client holding an open position at the end of the trading day (5pm EST) will be debited rollover.</p> <p>At AGM contracts that expire do not have any overnight holding costs, therefore Gold and Silver are the only treasury or commodity CFD's that incur rollover.</p> <p>On Wednesday, to account for holding a position into the weekend, Rollover are 3X times higher than usual on XAU/USD and XAG/USD.</p> <p>Rollover can add a significant extra cost or profit to your trade. Upcoming Rollover can be viewed in the Trading Station from the simple and advanced dealing rates windows.</p>

How can I make a trade inquiry or complaint?

If you wish to submit a trade audit you can contact our customer support or submit the following online form.

Per AGM's Complaint Procedure, if you are dissatisfied with the audit resolution, you are able to submit a formal complaint. You may submit your complaint online via the following form.

If you do not feel your complaint has been resolved satisfactorily, you are able to refer your complaint to the <https://www.cysec.gov.cy/en-GB/complaints/how-to-complain/>.

Other relevant information

You should ensure that you read the terms of business, order execution policy and risk warning notice displayed in the legal section of our website, at the General Business Terms page on our website. Such information is also available on request.