



Key Information Document - CFDs on a Precious Metal

KEY INFORMATION DOCUMENT – CFDS ON A PRECIOUS METALS

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: Contract for difference (“CFD”) on a Precious Metals.

Product manufacturer NBH Markets EU Limited (hereinafter the “Company”), authorised and regulated by the Cyprus Securities and Exchange Commission in Cyprus (License Number: 208/13).

Further information You can find more information about **NBH Markets EU Limited** and our products link to product governance policy. You can contact us using the details on our website <https://www.nbhm.eu/> or by calling +357-25-000110. This document was last updated on 6th of December 2018.

ALERT

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



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.

This document provides key information on CFDs where the underlying investment that you choose is precious metal instrument such as Gold or Silver. A spot metal derivative is a contract that has a precious metal as the underlying party. You can visit <https://nbhm.eu/trading/instruments/precious-metals/> for information on the underlying assets available to you.

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 underlying asset and the size of your stake. For example, if you believe the value of a precious metal is going to increase, you would buy a number of CFDs (this is also known as "going long"), with the intention to later sell them 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 precious metal is going to decrease,

you would sell a number of CFDs (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, resulting in us paying you the difference, minus any relevant costs (detailed below).

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 (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:

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

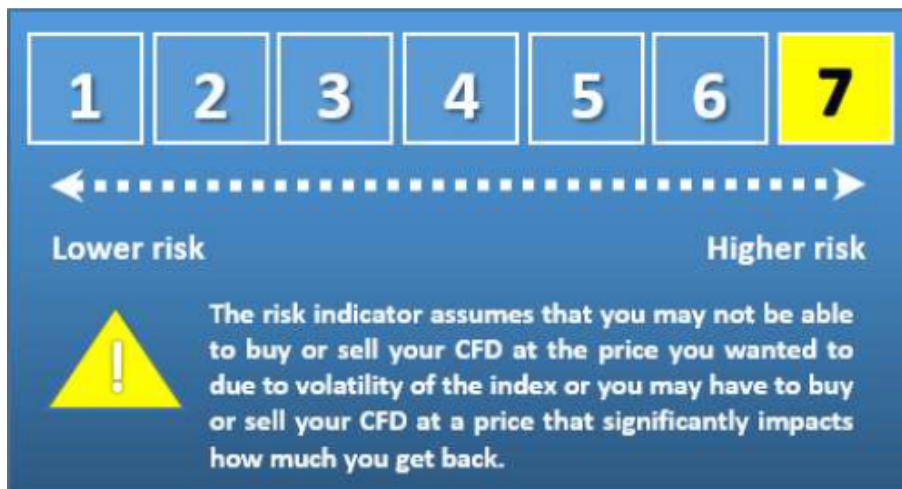
Term

CFDs have no maturity date or minimum holding period. You decide when to open and close your positions.

We may close your position without seeking your prior consent if you do not maintain sufficient margin in your account, but we are under no obligation to do this.

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 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. 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.

In some circumstances you may be required to make further payments to pay for losses. The total loss you may incur may significantly exceed the amount invested. Your losses can materialise quickly due to the use of margin (see further below).

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 percentage of the notional value of the position, creating a leveraged position. Leverage can significantly magnify your gains and losses. If the funds in your account are no longer sufficient to keep your position open, you will be required to make up this shortfall. This is a margin call. If you do not meet your margin call, we may close your position (immediately and without notice) and you will realise any losses. You could, therefore, lose more than your entire investment.

Our CFDs are not listed on any exchange, and the prices and other conditions are set by us in accordance with our best execution policy. The contract can be closed only with us, and are not transferable to any other provider. If you have multiple positions with us, your risk may be cumulative and not limited to one position.

The tax regime of the country in which you are domiciled may impact your return.

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. This risk is not considered in the indicator shown above.

This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section 'what happens if the company is unable to pay out'). The indicator shown above does not consider this protection.

Performance Scenarios

This key information document is not specific to a particular product. It applies to a CFD on any index. However, each CFD you enter into with us is specific to you and your choices. You will be responsible for choosing the underlying asset; when you open and close your position; the size of your position and your margin; and whether to use any risk mitigation features we offer (such as stop loss orders), for example.

CFD METALS								
XAUUSD Held Intraday								
Opening Price	P	1332.80						
Trades Size	TS	150 ounces (1.5 lot)						
Margin %	M	\$6250 per lot						
Margin Requirement (\$)	MR = P * TS * M	\$6,250.00						
National Value of the trade (\$)	TN = P * TS	\$199,920.00						
LONG		Closing Price	Price Change	Profit / Loss	SHORT			
Performance Scenario					Performance Scenario	Closing Price	Price Change	Profit / Loss
Favorable		1335.20	0.18%	\$360.00	Favorable	1328.15	0.35%	\$697.50
Moderate		1334.60	0.14%	\$270.00	Moderate	1330.25	0.19%	\$382
Unfavorable		1331.10	-0.13%	(\$255.00)	Unfavorable	1335.60	-0.21%	(\$420.00)
Stress		1329.50	-0.25%	(\$495.00)	Stress	1338.45	-0.42%	(\$847.50)

The stress scenario above shows how small price movements can rapidly lead to losses and in this circumstance, will result in a forced close out of your position. In this stress scenario you may owe us additional money for your trading losses and lose more than your investment. This does not take into account a situation where we are unable to pay you. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance and are not exact indicators. What you get will vary depending on how the market performs and how long you keep the investment.

The figures shown include all the costs of the product itself. The figures do not take into account your personal tax situation, which may also affect how much you get back. This performance scenario assumes you only have one position open, and does not take into account the negative or positive cumulative balance you may have if you have multiple open positions with us.

WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY OUT?

If the company is unable to meet its financial obligations to you, this could cause you to lose the value of any CFDs you have with the company. The company segregates your funds from its own money in accordance with the CySEC Safeguarding of Client Funds. Should segregation fail, your investment is covered by the Investors Compensation Fund which covers eligible investments up to €20,000 per person, per firm. See www.cysec.gov.cy/en-GB/complaints/tae/.

WHAT ARE THE COSTS? <https://nbhm.eu/trading/instruments/precious-metals/>

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

Cost Structure example for Standard Account (min. deposit €1,000)			Cost Structure example of Pro Account (min. deposit €25,000)			Cost Structure example of Elite Account (min. deposit €50,000)		
Metals - XAUSUD			Metals - XAUSUD			Metals - XAUSUD		
Trade Size	1 lot		Trade Size	1 lot		Trade Size	1 lot	
Spread	14	\$14.00	Spread	14	\$14.00	Spread	14	\$14.00
	Long	Short		Long	Short		Long	Short
Swap	(\$18.59)	\$2.31	Swap	(\$18.59)	\$2.31	Swap	(\$18.59)	\$2.31
Commission		\$8	Commission		\$5	Commission		4.975
Total Cost		\$22	Total Cost		\$19	Total cost		\$18.97

*The costs may vary depending on the underlying investment options you choose.

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

This product generally has no fixed term and will expire when you choose to exit the product or in the event you do not have available margin. CFDs are intended for short term trading, in some cases intraday and are generally not suitable for long term investments. There is no recommended holding period, no cancellation period and therefore no cancellation fees. You can open and close a CFD at any time during market hours.

OTHER RELEVANT INFORMATION

You will find detailed information on our products by reviewing the product governance policy. 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 <https://nbhm.eu/about/legal-documentation/>. Such information is also available on request.

HOW CAN I COMPLAIN?

If you wish to make a complaint, you should contact our client services team on +357-25-000110, or email compliance@nbhm.eu. If you do not feel your complaint has been resolved satisfactorily, you are able to refer your complaint to the Financial Ombudsman of the Republic of Cyprus. See www.financialombudsman.gov.cy for further information.