

## KEY INFORMATION DOCUMENT ('KID') ON METALS

**PURPOSE:** This document provides you with key information about this investment product, specifically Contracts for Difference ('CFDs') on Metals and it is applicable for Retail clients. 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 as well as relevant performance information and to help you compare it with other products.

**PRODUCT:**

**CFD on Metals**

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

### DESCRIPTION OF THE PRODUCT

A CFD is a leveraged contract entered into with the Company on a bilateral basis. It allows an investor to speculate or hedge on rising or falling prices in an underlying Metal through online trading platforms. An investor has the ability to buy (or go "long") the CFD to benefit from rising underlying Metal prices; or to sell (or go "short") the CFD to benefit from falling underlying Metal prices or not trade at all. The price of the CFD is derived from the price of the underlying Metal price. For instance, if an investor is long in a CFD and the price of that underlying Metal rises, the value of the CFD will increase and when the contract can be closed at profit, the Company will pay the difference between the closing value of the contract and the opening value of the contract. Conversely, if an investor is long and the cash price of the underlying Metal falls, the value of the CFD will decrease; if the contract is then closed, the client will be debited with the difference between the closing value of the contract and the opening value of the contract. The use of leverage with CFDs has the effect of magnifying both profits and losses.

### OBJECTIVES

The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying Metal (whether up or down), without actually needing to buy or sell the underlying Metal. The exposure is leveraged since the CFD only requires a small proportion of the contract value to be deposited as initial margin and is one of the key features of trading CFDs.

CFDs do not have a pre-defined maturity date and are therefore open-ended; hence there is no recommended holding period and it is at the discretion of each individual investor to determine the most appropriate holding period based on their own individual trading strategy and objectives.

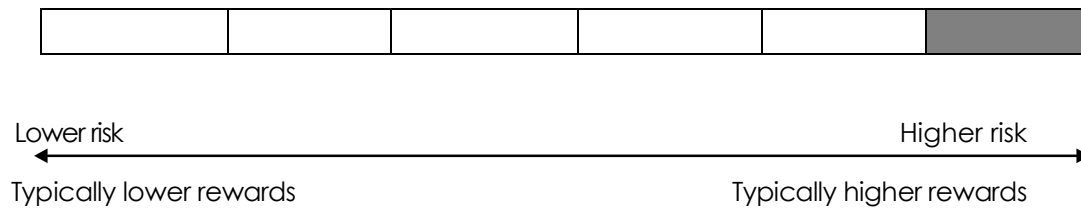
### INTENDED RETAIL INVESTOR

Trading CFDs on Metals is not appropriate for everyone. These products are most commonly intended for traders who have knowledge and/or experience to understand the characteristics of CFDs. Clients should have a high-risk tolerance and ability to lose 100% of their invested capital. The clients should be willing to accept margined price fluctuations in exchange for the opportunity of higher returns. Moreover, the clients should be willing to accept concentration risk with the exchange for the opportunity of higher returns.



***Clients who are risk-intolerant should not invest in the respective target market as these instruments are risky and bear significant amount of risk.***

**SUMMARY RISK INDICATOR / RISK AND REWARD PROFILE**



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 classified this product as a product of the highest risk class. This is because you could lose all of your trading balance.

The risk is high because:

- The instrument is volatile and is subject to wild swings.
- Spread may widen with reduced liquidity.
- You could lose your entire investment.
- You could lose more than your initial investment.

Be aware of currency risk: If your account currency is different to the profit or loss currency 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. 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.

Trading risks are magnified by leverage and thus the total loss you may incur may significantly exceed the amount invested. Values may fluctuate significantly in times of high volatility or market/economic uncertainty. Such swings are even more significant if your positions are leveraged and may also adversely affect your position. As a result, margin calls may be made quickly or frequently. In the event of default, ARUMPRO CAPITAL LIMITED shall seek to immediately terminate, cancel and close-out all or part of any outstanding positions, and any shortfall will be borne by you. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you.

There are a number of types of trading risk, including leverage risk, which you should be aware of before beginning to trade. Factors that affect the performance of this product include but are not limited to:

- Leverage risk
- Risk of unlimited loss
- Margin risk
- Foreign exchange risk
- Market risk
- Unregulated market risk
- Market disruption risk
- Counterparty risk
- Online trading platform and IT risk
- Conflicts of interest

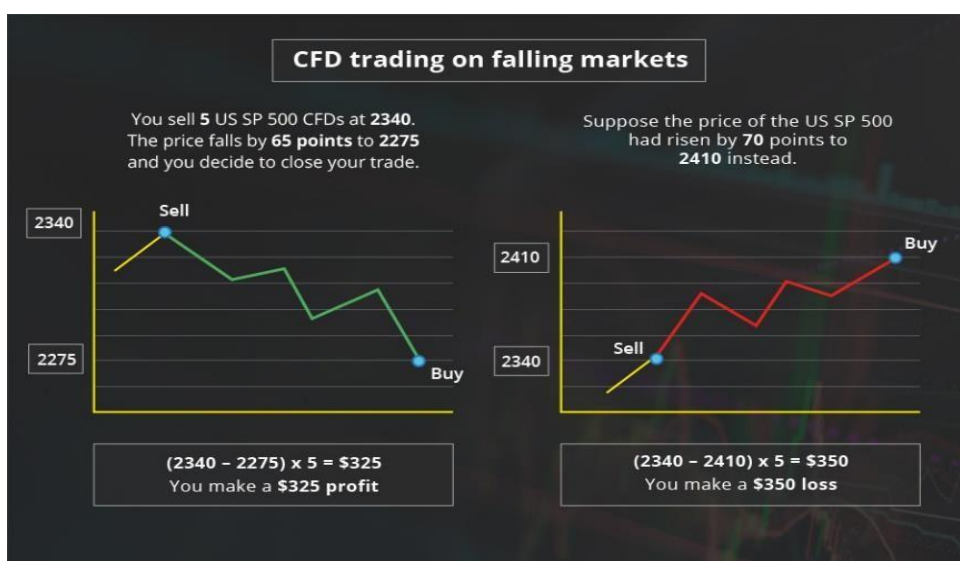
**PERFORMANCE SCENARIOS**

The below scenarios illustrate potential profit and loss under different scenarios. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies. In any case, your profit or loss depends on how the market behaves and how long you hold the CFD. The stress scenario shows what you might get back during extreme market circumstances when market is very volatile.

The following assumptions have been used to create the scenarios found in table below:

Buy performance scenario	Closing price	Price change	Profit/Loss	Sell performance scenario	Closing price	Price change	Profit/Loss
Favourable	1273.00	8%	800.00	Favourable	1258.50	7%	700.00
Moderate	1268.00	3%	300.00	Moderate	1263.00	2%	200.00
Unfavourable	1260.00	-5%	-500.00*	Unfavourable	1271.00	-6%	-600.00*
Stress	1255.00	-10%	-1000.00*	Stress	1274.00	-9%	-900.00*

\*The loss is restricted to your account balance as we offer negative balance protection.



\*This is an example graph showing possible profit (on the left) and loss (on the right).

## COSTS & CHARGES

Before you trade CFDs on Indices, you should familiarise yourself with all the below costs for which you will be liable and which are capable of reducing your net profit or increase your losses. For more information on costs please view our [General Fees](#).

<b>One off Costs</b>	Spread	The difference between the buy price and the sell price is called the spread. This cost is realized each time you open and close a trade. The spreads vary depending on the instrument and information can be found on our <a href="#">website</a> . All spreads offered by the Company are floating due to the nature of business license (STP-basis only).
	Currency Conversion	The fee charged for converting realised profit/loss from the instrument currency to the account currency
<b>Ongoing Costs</b>	Daily holding Cost/Swap/Rollover	A fee is charged to your account for every night that your position is held, depending on the position held (i.e. long or short). This means the longer you hold a position, the more it costs. Swaps are charges, which are incurred when a trade is kept open overnight, to reflect the cost of funding your trade. Both long ('buy') and short ('sell') positions are subject to daily swap, which may be in favour of the investors or against them. From Monday to Friday (excluding Wednesday) the swap is charged once and on Wednesday the swap is charged in triple size (to cover for the weekend). The calculation for swaps is as follows: Swap = (one pip / exchange rate) * (trade size) * (swap value in points). Swap can be viewed <a href="#">here</a> and on the trading platform.



### **WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY YOU?**

In the unlikely event that the Company was to go into liquidation and we are not able to pay you what is owed, you could lose your entire investment. However, the Company segregates all client funds from its own money in accordance with CySEC's Safeguarding of clients' funds rules. Furthermore, the Company is a member of the Investor Compensation Fund ("ICF") for the clients of Cyprus Investment Firms ("CIFs"), under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time (the "Law"). In such case, the ICF will protect eligible clients to a maximum of 20,000 EUR per client. See our Investor Compensation Fund Policy for more details.

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

There is no minimum period that you must keep this investment open and you can open and close it at any time while the market is open. You can request a withdrawal of available funds on your account during normal working hours and this will be processed the same business day or the next business day. There is no recommended holding period, no cancellation period and therefore no cancellation fees. However, overnight funding cost can eat away at long term exposures.

### **COMPLAINTS**

Our Company would like to know about any problems you may have with the products or investment services provided to you so we can take steps to resolve any issue which might occur. If you have a complaint about the financial product or service provided to you contact one of our customer representatives by email or phone number at the contacts available on our website or by sending an email directly to [complaints@arumcapital.eu](mailto:complaints@arumcapital.eu). Furthermore, please see the "the Complaint Handling Policy" available [here](#).

### **OTHER RELEVANT INFORMATION**

The Legal Documents on our website contain important information regarding your account. You should ensure that you are familiar with all Legal Documents that apply to your account. Further information about this product can be found on our [website](#).