

## 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 CFDs (Contracts for Difference)

**Product Manufacturer** Stratos Markets Limited ("Tradu"), authorised and regulated by the Financial Conduct Authority in the United Kingdom FCA #217689

**Further Information** You can find more information about Tradu's products in our [product guide](#). You can contact us using the details on our [website](#) or by calling +44 2073 984058. Tradu's customer support team is available via phone, email or live chat: [www.tradu.com/uk/support](http://www.tradu.com/uk/support).

This document was last updated on 15 February 2024.

**! 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.

There are many types of CFDs. This document provides key information on Treasury CFDs (Tradu only offers the Bund) and Commodity CFDs where the underlying investment option that you choose is a physical asset such as Gold or Oil.

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

#### Objectives

The objective of trading CFDs is to speculate on price movements 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).

If you believe the value of a commodity is going to increase, you could buy 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 commodities 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.

### 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 gain short term exposures to financial instruments/markets, and have a diversified investment and savings portfolio.

#### Term

Tradu's spot products CFDs (Gold (XAU/USD) and Silver (XAG/USD) or any other commodity defined as spot in the product guide) have no maturity date or recommended holding period. You decide when to open and close your positions.

All other Treasury and Commodity CFDs have a periodic expiration (in most cases Monthly or Quarterly). Tradu's expiration dates are located in the [Tradu CFD Expiration PDF](#).

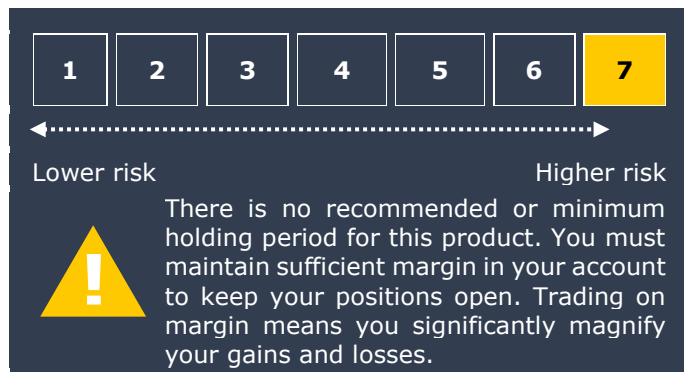
A margin call will occur when the account equity drops to less than 50% of the initial margin amount. A margin call will liquidate all open positions on your account. Tradu process all liquidations automatically, for more information on how Margin Warnings and Margin Calls work we encourage you to review our [execution risks](#).

Tradu Margin Requirements can vary, are updated monthly, and can be increased temporarily to mitigate risks prior to major market events or in increasingly volatile markets.

The minimum margin requirement for gold is 5% and for treasuries and commodities other than gold is 10%. Current margin requirements can be viewed in the dealing rates and create order windows on the trading platform.

## 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. CFDs are leveraged products that, due to underlying market movement, can generate losses rapidly. Therefore, there is a very high chance that you could lose all invested funds.

**Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.**

Market conditions may mean that your trade is closed at a less favourable price, which could significantly impact how much you get back. We may close your open contract if you do not maintain the minimum margin that is required.

This product does not include any protection from future market performance so you could incur significant losses. If Tradu is not able to pay you what is owed, you could incur significant losses. However, you may benefit from a consumer protection scheme (see the section 'What happens if Tradu is unable to pay out'). The indicator shown above does not consider this protection. It is possible to lose the entire balance of your account.

### Investment performance information

There are several factors that may affect the future returns you receive, or indeed the future loss you may suffer. What you get back will vary depending on how the market performs, how long you hold the CFD, the costs of the product itself, and also your personal tax situation.

Each instrument has a different pip cost (value risked for every change of a certain digit in price) associated to it. Pip cost is displayed in the trading platform, when entering a Market or Entry Order.

When trading in Treasury and Commodity CFDs, you will either elect to 'go long' (*i.e.*, whereby you are hoping that the value of the underlying benchmark increases) or 'go short' (*i.e.*, where you are hoping that the value of the underlying benchmark decreases) against an underlying treasury or commodity. Whether the underlying treasury or commodity appreciates or depreciates, and thereby whether your prediction to go 'long' or 'short' bore out, will be the primary factor in determining your returns or losses.

In the event you are trading an instrument whose counter currency differs from your account base currency, fluctuations between the account and instrument currency may also impact your returns, as expressed in your account currency.

Additionally, for Spot products, Financing Costs may also impact your total returns and are outlined further in the cost section below and in the [Rate Card](#).

### Benchmark / Index

Tradu's Spot Commodity CFDs are traded over-the-counter ("OTC") and are not financial instruments that are traded on a singular specific underlying exchange. Therefore pricing may vary from broker to broker and a singular benchmark does not exist. To create the prices for these CFDs, Tradu aggregates the price feeds from various liquidity providers.

Tradu's Commodity or Treasury products with an expiry track the underlying Futures instrument. The underlying instrument of any CFD can be found in the products description in the [product guide](#).

### What could affect my return positively?

When trading a CFD referencing a treasury or commodity, the main factor that could affect your return positively would be if you trade 'long' on treasury or commodity that then appreciates in value, or conversely trade 'short' on a treasury or commodity that then depreciates in value.

### What could affect my return negatively?

When trading a CFD referencing a treasury or commodity, the main factor that could affect your return negatively would be if you trade 'long' on a treasury or commodity that then depreciates in value, or conversely trade 'short' on a treasury or commodity that then appreciates in value.

### Impact of severely adverse market conditions?

When trading a CFD referencing a treasury or commodity, extreme market circumstances (for instance, severe market volatility or the sudden depreciation of a particular treasury or commodity that is otherwise relatively stable), can result in the sudden loss of the majority or all of your investment, and such extreme circumstances are different to a situation where we are not able to pay you.

### What happens if Tradu is unable to pay out?

If Tradu is unable to meet its financial obligations to you, this could cause you to lose the value of any CFDs you have with Tradu. Tradu segregates your funds from its own money in accordance with the UK FCA's Client Asset rules. Should segregation fail, your investment is covered by the UK's Financial Services Compensation Scheme (FSCS) which covers eligible investments up to £85,000 per person, per firm. See [www.fscs.org.uk](http://www.fscs.org.uk).

### What are the costs?

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

|                      |                                 |   |
|----------------------|---------------------------------|---|
| <b>One off costs</b> | <b>Spread</b>                   | The spread is the difference between the buy (ask) and sell (bid) price quoted. Spreads are subject to variations, especially in volatile market conditions. The spread can be seen on the trading platform.  |
| <b>Ongoing costs</b> | <b>Rollover (Spot Products)</b> | <p>This is the interest paid for holding a position past 5 PM EST and is based on the size of the position. For commodity CFDs the financing formula may vary for different products. At Tradu contracts that expire do not have any overnight holding costs. For commodity CFDs the formula for financing cost is as follows:</p> <p><u>XAU/USD and XAG/USD:</u></p> $(\text{Intra Bank Swap rates} \times \text{pip cost}) \times (1 \pm \text{mark-up})$ <p><u>Spot Oils and Metals:</u> The financing formula for this product is based on the prices and days remaining of the underlying Futures markets that are used to derive the spot price.</p> <p>Long positions: <math>\left( \frac{\text{Far Month Futures Price} - \text{Near Month Futures Price}}{\text{Total trading days of Near Month Future}} + \text{mark-up} \right) \times (-1) \times \text{point cost}</math></p> <p>Short positions: <math>\left( \frac{\text{Far Month Futures Price} - \text{Near Month Futures Price}}{\text{Total trading days of Near Month Future}} - \text{mark-up} \right) \times \text{point cost}</math></p> <p>On Wednesday, to account for holding a position into the weekend, Rollover are 3X times higher than usual.</p> |

#### 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. You should monitor the product to determine when the appropriate time is to exit. **You can close your contract at any time during market hours.**

#### 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 Tradu'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](#);
- via email to [compliance@tradu.com](mailto:compliance@tradu.com); or
- via postal mail to Tradu at: 20 Gresham Street, 4th Floor, London EC2V 7JE, United Kingdom.

If you do not feel your complaint has been resolved satisfactorily, you are able to refer your complaint to the Financial Ombudsman Service (FOS). See [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) for further information.

#### 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, on the [General Business Terms](#) page. Such information is also available on request.