

KEY INFORMATION DOCUMENT CFD ON COMMODITIES

Purpose

This document provides you (the “Client”) 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: Contracts For Differences (CFDs) on Commodities

Manufacturer: GWG (Cyprus) Limited (the “Company”) is a company authorized and regulated by the Cyprus Securities and Exchange Commission (the “CySEC”) with license number 291/16 and operates as a Cyprus Investment Firm. The Company’s website is <https://www.gwglobalfx.com> whereas the contact details are as follows:

Address: 18 Kyriakou Matsi Avenue, Victory Tower, Office 302, Nicosia 1082, Cyprus.

Tel. No: +357 22 008100

Email: info@gwglobalfx.com

Further Information:

GWG (Cyprus) Limited is only licensed for reception and transmission of the Client’s orders. Execution of the Client’s orders is always made by third-party investment firms licensed for execution of orders on behalf of clients (third-party liquidity providers). The Company established integration of its trading platform with **LMAX Broker Europe Ltd** and thus, clients’ orders are automatically transmitted for execution to LMAX Broker Europe Ltd when GWG receives them.

Date of Update of KID: 13/09/2021

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

What is this product?

Type: CFDs on Commodities are traded on an Over the Counter (“OTC”) basis and they are leveraged financial instruments. CFDs on Commodities are derivative products the purpose of which are to give the Client a long or short exposure to fluctuations in the price of the underlying asset. Their value is determined on the value of the underlying asset. Particularly, the price of the CFD on Commodities is derived from the price of the underlying asset which may be either an index or a commodity. CFDs on Commodities are settled in cash and the Client has no rights on the actual underlying asset. A Client may buy (or “go long”) to benefit from the increase of the price of the underlying asset or to sell (“go short”) in order to benefit from a decrease of the price of the underlying asset.

Objectives: The objective of the CFD is to allow an investor to gain leveraged exposure to the movement in the value of the underlying Future (whether up or down), without needing to buy or sell the underlying asset itself. The exposure is leveraged since the CFD only requires a small proportion of the notional value of the contract to be put down upfront as initial margin and is one of the key features of trading CFDs. The Client profits if the speculation on the performance, either positive or negative, was correct, otherwise the Client will suffer losses with the difference between the opening price and closing price of the underlying asset. Prices of this specific investment product may be obtained either by liquidity providers who obtain such prices from the relevant exchanges or directly from the relevant exchanges.

The profit/loss is determined according to the following formula:

For Buy (Long) positions: Deal size (in units of base asset) x [Close Bid – Open Ask] = P/L (in units of the other asset)

For Sell (Short) positions: Deal size (in units of base asset) x [Open Bid – Close Ask] = P/L (in units of the other asset)

Profit and Loss are also affected by the fees charged by GWG (Cyprus) LTD, as detailed below.

Intended Retail Investor: This product is intended for Retail Investors who have sufficient knowledge and experience in trading with leveraged products. Also, the product shall be provided to Retail Investors who understand and are willing to take, in the short term, the risks associated with trading in such instruments. In addition, the product is also targeted at Retail Investors having speculation or hedging objectives and wish to diversify their portfolio and are financially able to lose their invested capital, subject to the negative balance protection mechanism offered by GWG (Cyprus) Ltd.

Term: CFDs on Commodities do not have an expiration date and therefore the Retail Client decides when to close the position based on his/her discretion. Kindly note that if the Client’s margin level falls below the Margin Close Out Level of 50%, the Client will receive a stop out or margin call and the positions close, without notice by us to you. **In addition, the Client never loses more than the Equity of the trading account as GWG (Cyprus) Ltd offers Negative Balance Protection (NBP).**

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

Risk indicator

1	2	3	4	5	6	7
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Low Risk

High Risk

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 at a very high level and poor market conditions may impact our capacity to pay you. CFDs on Commodities are leveraged products that, due to underlying market movement, can rapidly generate losses. Losses can be up to the entire amount invested, if you are a Retail Client as you benefit from negative balance protection measures. However, there is no capital protection against market risk, credit risk or liquidity risk.

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

The total loss you may incur is only your invested capital. This product does not include any protection from future market performance, so you could lose all of your investments. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from the investor compensation fund (see the section “*what happens if we are unable to pay you*”). The indicator shown above does not consider this protection.

PERFORMANCE SCENARIOS

This KID is not specific to a particular product. It applies to a CFD on Commodities available on our platform. However, each CFD you enter into is specific to you and your choices i.e. you shall choose the underlying currency pair; the size of your position; when you open and close your position; and whether to use any risk management tools we offer such as stop loss orders.

Assumptions: CFD on a Commodity	
Gold Commodity Open Price	\$ 1,300
Trade size (per CFD)	1 LOT (100 Oz in the Gold Commodity)
Margin %	1%
Leverage	1 : 100
Margin Requirement (\$)	\$1,300
Notional Value of the Trade (\$)	\$ 130,000

Buy / Long Performance Scenario	Closing Price (Inc. Spread)	Price Change	Profit/Loss	Sell / Short Performance Scenario	Closing Price (Inc. Spread)	Price Change	Profit/Loss
Favourable	\$ 1,339	3.00%	\$ 3,900	Favourable	\$ 1,261	-3.00%	\$ 3,900
Moderate	\$ 1,320	1.50%	\$ 2,000	Moderate	\$ 1,280	-1.50%	\$ 2,000
Unfavourable	\$ 1,261	-3.00%	(\$ 3,900)	Unfavourable	\$ 1,339	3.00%	(\$ 3,900)
Stress**	\$ 1,222	-6.00%	(\$ 7,800)	Stress**	\$ 1,378	6.00%	(\$ 7,800)

** *The position will be automatically liquidated once the margin close out rule level of 50% is reached.*

This table shows you the money you could get back under different scenarios, assuming that you invest in a particular commodity. 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 based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you profit/lose will vary depending on how the market performs and how long you keep your position open. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. 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 scenarios assume 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.

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.

What happens if GWG (Cyprus) is unable to pay out?

In the event of default of GWG (Cyprus) Ltd due to insolvency, you may lose the value of your investment. The Investor Compensation Fund for clients of CIFs (the “ICF”), provides compensation for Retail Investors should GWG (Cyprus) Ltd declares default. You may be entitled to compensation under the ICF where we are unable to meet our duties and obligations arising from your claim. Whether you are able to claim depends on the type of business and your personal circumstances. Any compensation provided to you by the ICF shall not exceed twenty thousand EUR(20,000€) per Retail Investor or 90% of the claimed amount, whichever is lower. Full details are available on the ICF’ website: <https://www.cysec.gov.cy/en-GB/complaints/tae>.

What are the costs ?

COMPOSITION OF COSTS

Before initiating trading in CFDs on Commodities you should familiarize yourself with all associated costs and charges, as presented herein. For more information on the costs and charges please refer to our website at the links shown below. The total costs consider one-off, ongoing and incidental costs as listed below. The amounts shown here are the cumulative costs of the product itself when you close your position.

One Off Costs	Spread	Spread: The spread is the difference between the buying (ASK) and selling price (BID) of a CFD on Virtual Currencies applied for trading. No other charges or commissions are paid. Our spreads are set at our absolute discretion and any changes are effective immediately. All the spreads are variable and are charged automatically once the position is open. The spread is calculated as Contract Size * Lots * Minimum Spread Charge . Please refer to our website for more information.
	Currency Conversion	Any cash, realized profit and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account and a currency conversion fee will be charged to your account.
Ongoing Costs	Overnight swaps	A daily overnight swap charge will apply to all open positions that remain open every day at 21:00 UTC time. The Company calculates its swaps using the formula: (Lot Size)*(# of Days the position/s are Open)*(Swap Charge of the Asset). More information in regards to the Overnight Swap charges can be found on our website: https://www.gwglobalfx.com/trading/markets/commodities/ Wednesday Exception Rule: The charge for positions being held over Wednesday and swapped to Thursday is different than other days and includes the charge over weekend, therefore the overnight swap is tripled.

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

Recommended holding period: N/A

Trading CFDs on Commodities does not require a holding period as the Client decides when to close their position. You can cash out the CFD on Commodities at any point you wish during regular market hours, but it may not be at a price beneficial to you or your investment goals.

How can I complain?

You are entitled to lodge a complaint at any time and free of charge. You may submit your formal duly complaint form along with information including your trading account number, the cause of your complaint and date of the event. The Complaints Form is available at the Company's Website or you can send an email to Complaints@gwglobalfx.com by post at the head office address specified above. GWG (Cyprus) Ltd will confirm within five (5) business days the receipt of your complaint and provide you with your Unique Reference Number (the "URN"). Further details of the Company's procedure is available on our website. In the event that the final decision does not satisfy you, you may also refer your complaint to the Financial Ombudsman Service (the "FOS"). The FOS is an independent service for settling disputes for finance business and their clients.

Details for the Financial Ombudsman Service are available in its website:

http://www.financialombudsman.gov.cy/forc/forc.nsf/page15_en/page15_en?OpenDocument .

Other relevant information

The information contained in this document should be read in conjunction with other legal documentation available at www.gwglobalfx.com under the tab **Legal Documents**.