



Key Information Document (KID)

CFD ON COMMODITIES: Gold

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 help you compare it with other products.

PRODUCT

The Manufacturer of this product is **eToro (Europe) Limited ('eToro EU' or 'the Company')** (<https://www.etoro.com>), a company registered in the Republic of Cyprus and regulated by the Cyprus Securities and Exchange Commission. You can contact eToro EU on <https://www.etoro.com/support/> for more information. This KID was created/last updated on October 2019.

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

WHAT IS THIS PRODUCT?

TYPE: This is a Contract for Difference ('CFD'). It allows you an indirect exposure to an underlying product or financial instrument (for example, to a security, commodity or index). You will have no direct interest in the underlying product/financial instrument. Accordingly, you can make gains or suffer losses because of price or value movements in relation to the underlying product or financial instrument to which you have the indirect exposure. An investor has the choice to buy (go 'long') the CFD to benefit from rising commodity prices; or to sell (go 'short') the CFD to benefit from falling commodity prices. A commodity is a raw material or primary agricultural product used in commerce.

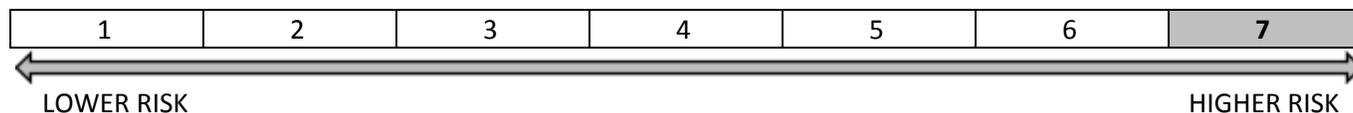
This document provides key information on CFDs where the underlying investment option that you choose is a commodity such as Gold.

OBJECTIVES: The objective of trading CFD is to gain exposure (generally over the short term) to fluctuations related to the underlying commodity without owning it. Your return depends on the size of the performance (or movement) of the underlying investment and the size of your position. This product is commonly traded on margin. Margin refers to the use of a small amount of capital to support an investment of a larger exposure. Please note that margin/leverage trading requires extra caution, because whilst you can realize large profits if the price moves in your favor, you risk extensive losses if the price moves against you.

INTENDED RETAIL INVESTOR: Trading in this product will not be appropriate for everyone. This product would commonly be used by persons who want to generally gain short-term exposures to financial instruments; are trading with money, which they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; and have a good understanding of the impact of and risks associated with trading on margin.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

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 the Company is not able to pay you.



The Company has 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. Be aware of currency risk. You may 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. Trading risks are magnified when trading with leverage, however, the total loss that you may incur will never exceed your invested amount.

The Company offers Negative Balance Protection to its Clients, meaning that they will never be in a position to lose more funds than the amounts invested with the Company. 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, and in the event of default, your positions may be closed out 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. Finally, note that the Company may close your position(s) without seeking your prior consent if you do not maintain sufficient margin in your account. If the margin amount in your account falls below 50% of the total initial margin required for all the CFDs in your account the Company must close out one or more of your open positions.

eToro EU CFDs are not listed on any trading venue (i.e. on an exchange), and the prices and other conditions are set by the Company. The contract can be bought/sold only with eToro EU, and is not transferable to any other provider/third party. If you have multiple positions with eToro EU, your risk may be 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 commodity that the Company offers in its trading platform. However, each CFD you enter into with the Company is specific to you and your choices. You will be responsible for choosing the underlying commodity; when you open and close your position; the size of your position; and whether to use any risk management tools we offer such as stop loss orders.

What you get will vary depending on how the market performs and how long you hold the CFD. 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 following assumptions have been used to create the scenarios in Table 1:

CFD of Gold (held intraday)		
Gold Opening price:	P	\$1,238.72*
Trade size (Per CFD):	TS	8.08
Margin %:	M	5%
Margin requirement (USD):	MR = P * TS * M	\$500
Notional value of the trade (USD):	TN = MR/M	\$10,000

*Buying price

Table 1:

BUY (LONG) Performance Scenario	Closing price (incl. spread)	Price change	Profit/Loss	SELL (SHORT) Performance Scenario	Closing price (incl. spread)	Price change	Profit/Loss
Favorable	\$1,251.73	1.05%	\$105	Favorable	\$1,225.31	1.05%	\$105
Moderate	\$1,239.59	0.07%	\$7	Moderate	\$1,237.44	0.07%	\$7
Unfavorable	\$1,224.72	-1.13%	-\$113	Unfavorable	\$1,252.30	-1.13%	-\$113
Stress	\$1,207.73	-2.55%	-\$255	Stress	\$1,269.89	-2.55%	-\$255

DISCLAIMER: 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. The figures shown includes 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.

WHAT HAPPENS IF ETORO (EUROPE) LTD IS UNABLE TO PAY OUT?

eToro EU is a member of the Investor Compensation Fund for Customers of Cypriot Investment Firms (CIFs) (the 'Fund'). The objective of the Fund is to secure any claims of covered clients against members of the Fund and to compensate covered clients for any claims arising from malfunction by a member of the Fund in fulfilling its obligations whether that obligation arises from legislation, the client agreement or from wrongdoing on the part of the member of the Fund. The payment of compensation by the Fund to the eligible clients of its members is subject to the existence of a well-founded claim by the clients against the member of the Fund. The Fund covers

eligible investments up to 20,000 Euro per person. More information can be found in the Investor Compensation Notice in eToro's website <https://www.etoro.com/customer-service/regulation-license/>

WHAT ARE THE COSTS?

Before you begin to trade CFDs on Commodities, you should familiarize yourself with all commissions, fees and other charges for which you will be liable. These charges will reduce any net profit or increase your losses. For more information about the composition of costs, please visit <https://www.etoro.com/trading/market-hours-fees/?category=commodities>.

The table shows the different types of cost categories and their meaning

One-off costs	Spread	The difference between the buy and sell price is called the spread.
	Currency Conversion	This is a charge for converting realized profit/loss from the instrument currency to the account currency.
Ongoing costs	Overnight fees	Overnight fees is for every day a Client keeps the position open. Depending on the position held and the Company's prevailing interest rates, the Client account may be credited/debited with the overnight cost.

CFDs on Commodities are not suited to the long-term investor. If you hold a CFD open over a long period, the associated costs such as Overnight Fees/Credits will apply. The daily fee/credit will be multiplied threefold for positions carried over Wednesday nights. The fees/credit will be charged/credited at 17:00 New York time for any position open at this time.

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

CFD does not have any recommended holding period, and generally is used for short term trading. There is no lock-up period and the Investor can liquidate the trading position and monetize the financial result at any time during market hours.

HOW CAN I COMPLAIN?

If you have any questions that the Company can help you with, the Company has multiple tools for you to use, such as Frequently Asked Questions (FAQ), referring your enquiry via a Ticket system for the Customer Service department, or via a chat with a Customer Service representative.

If the Company is unable to answer your question or you feel that our answer is unsatisfactory, you may open an official complaint by filling in the required form found on the bottom of the text. The Company will do everything it can to address your complaint within 48 hours and provide you with a response. The Company will keep you updated on the progress of your complaint and a full written response will be provided to you no later than eight weeks from the date that the Company received the complaint.

If you then feel that your complaint was not resolved satisfactorily by us, within three (3) months of our final response letter, you are able to refer your complaint:

- to the **FINANCIAL OMBUDSMAN SERVICE**

Complaints can be addressed to the Financial Ombudsman to the following address:

Office address: Lord Byron Avenue 13, 1096, Nicosia, Cyprus, OR P.O. 25735, 1311, Nicosia, Cyprus

By fax: 00357 22 660 584 or 00357 22 660 118

By email: complaints@financialombudsman.gov.cy

The complaint form must be accompanied by the evidence of the paid fee (€20);

- to the **CYPRUS SECURITIES AND EXCHANGE COMMISSION**

Complaints can be addressed to the CYPRUS SECURITIES AND EXCHANGE COMMISSION (CYSEC), via the procedures and forms sited on the following e-address:

<https://www.cysec.gov.cy/en-GB/complaints/how-to-complain/>

OTHER RELEVANT INFORMATION:

If there is a time lag between the time you place your order and the moment it is executed, your order may not be executed at the price you expected. Ensure your internet signal strength is sufficient before trading. The Terms and Policies available at <https://www.etoro.com/customer-service/terms-conditions/>, which contain important information regarding your investment account, should be read in conjunction with this document.