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

Commodities Contract for Difference ("CFD") are provided by NSFX Ltd, registered in Malta, Suite 124, Signature Portomaso, Vjal Portomaso, San Giljan, PTM01, Malta. Company Registration Number: C/56519 MFSA License Number: IS/56519) See www.nsfx.com for more information or contact us on +356 2317 2040 or support@nsfx.com

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Alert

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

What is this product?

Type

A 'Contract for Difference' ("CFD") is a derivative financial instrument entered into with NSFX on a bilateral basis. It allows you an indirect exposure (whether up or down) 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 as a result of price or value movements in relation to the underlying product or financial instrument to which you have the indirect exposure. This type of product is an OTC derivative, since it is traded outside of a trading venue (over the counter).

Objectives

The objective of trading a CFD on Commodities is to gain exposure (whether up or down) to movements related to a Commodity. Your return depends on the size of the performance (or movement) of the underlying Commodity and the size of your position. For example, if you believe the value of a Commodity is going to increase, you would buy a number of CFDs ("going long"), with the intention to later sell them when they are at a higher value. The difference between the buy price and your subsequent sell price would equate to your profit, minus any relevant costs (detailed below).

If you think the value of a Commodity is going to decrease, you would sell a number of CFDs ("going short") at a specific value, expecting to later buy them back at a lower value than you previously agreed to sell them for, resulting in NSFX paying you the difference, minus any relevant costs (detailed below). However, if the underlying Commodity moves in the opposite direction, and your position is closed, you would owe NSFX for the amount of loss you have incurred (together with any costs).

This product is traded on margin. Margin refers to the use of a certain amount of capital to support an investment of a larger exposure. Please note that margin 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.

For each individual CFD, two different margin rates apply: 1) Initial Margin is the required collateral to open a new position. This requirement limits the client's notional investment exposure in relation to the amount of money invested. The Initial Margin percentages depend by type of underlying and 2) Maintenance Margin, required to maintain an open position, is always equal to 50% of the Initial Margin.

For example, the Initial Margin rate for USOil (USOILsc) is 10% and the Maintenance Margin is 5%. If the Commodity is trading at 100 USD (83.3 EUR) and you trade 100 contracts, a margin of 833 EUR (83.3 x 100 x 10%) is required to open a Long/Short position. To hold the position, a maintenance margin of 417 EUR (83.3 x 100 X 5%) is required.

The Maintenance Margin is used to calculate the margin utilization. If your margin utilization reaches 100%, then automatic margin close– out will occur, meaning that orders to close positions will be placed and existing orders will be cancelled.

When trading CFDs on Commodities, Retail clients have negative balance protection on their trading account. Should your account fall into a negative balance, you will not be obliged to make additional payments – meaning losses cannot exceed your deposits.

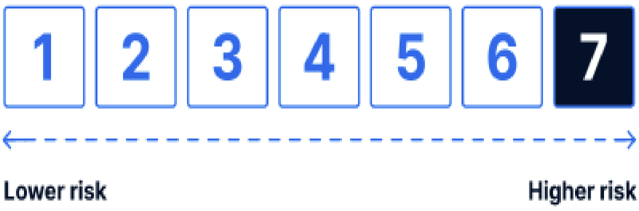
CFDs on Commodities are execution only products and generally therefore have no recommended holding period (RHP). It is up to you to open and close your position, however your position will only be kept open to the extent that you have available margin.

Intended Retail Investor

CFDs are intended for investors who have knowledge of, or experience with, leveraged products. The product would most commonly be utilised by persons who will understand how the prices are derived, the concepts of margin and leverage and want to generally gain short term exposures to financial instruments/markets; are using (trading with) money which they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; and understand the impact of and risks associated with margin trading.

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 we are not able to pay you.



The risk indicator assumes that you may not be able to buy or sell your CFD at the price you wanted to due to volatility of the market or you may have to buy or sell your CFD at a price that significatively impacts how much you get back.

We have classified this product as 7 out of 7, which is the highest risk class. Values may fluctuate significantly in times of high volatility or market/economic uncertainty (so can generate losses rapidly); 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.

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

Performance scenarios

The scenarios shown illustrate how your investment could perform, but are not an exact indicator. 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. What you get will vary depending on how the market performs and how long you hold the position. 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:

Trade caracteristics		
Description	**Symbol/Equation**	**Value**
Intrument	I	USOILsc
Opening Price (USD)	P	100
Trade Size	TS	100
Notional Value (USD)	QC = P x TS	10000
Initial Margin	M	10%
Margin Requirement (EUR)	MR = P x TS x M	833

Performance scenario (Long)			
Long Position	**Closing Price**	**Price Change**	**Profit/Loss (USD)**
Stress	80	-20%	-2000
Unfavourable	95	-5%	-500
Moderate	103	3%	300
Favourable	105	5%	500

Performance scenario (Short)			
Short Position	**Closing Price**	**Price Change**	**Profit/Loss (USD)**
Stress	120	20%	-2000
Unfavourable	105	5%	-500
Moderate	97	-3%	300
Favourable	95	-5%	500

The figures shown above include all the costs of the product itself. If you have been sold this product by someone else, or have a third party advising you about this product, these figures do not include any cost that you pay to them. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if NSFX is unable to pay out?

If NSFX is unable to meet its financial obligations to you, you may lose the value of your investment. It should be noted that all client funds deposited with NSFX Ltd are 100% segregated from the company's funds, and, as required by MFSA, are deposited into separate bank accounts. This segregation of funds ensures clients deposits cannot be used for any purpose other than client account trading. Moreover, it should also be noted that NSFX participates in the Investor Compensation Fund for clients of Investment Firms regulated in the Republic of Malta, who will be entitled to compensation under the Investor Compensation Fund up to certain regulatory limits where we are unable to meet our duties and obligations arising from your claim.

What are the costs?

This table shows the different types of cost categories and their meaning		
One-off costs	Spread	The difference between the buy price and the sell price is called the spread. This cost is realised each time you open and close a trade.
	Currency conversion	Any cash, realised 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.
	Minimum Commission	The minimum fee charged for the service of carrying out the transaction
Ongoing costs	Rollover Costs	A fee is charged to your account for every night that your position is held. This means the longer you hold a position, the more it costs.

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

There is no recommended holding period, no cancellation period and therefore no cancellation fees. You can open and close a position on a Commodity at any time during NSFX market hours.

Other relevant information

The General Business Terms section of our website contains important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account. Please refer to our website for any other information https://www.nsfx.com