

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 Contract for difference (CFD) on a Precious Metal.

Product manufacturer OANDA Europe Ltd ("OEL"), authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Further information You can find more information about OEL and our products at www.oanda.com. You can contact us using the details on our website or by calling 0207 101 1600 8am – 6pm (London time). This document was last updated on 1st December 2017.

ALERT 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 precious metal, 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 an indirect exposure.

This document provides key information on CFDs where the underlying investment option that you choose is a precious metal such as Gold, Silver or Palladium. You can visit www.oanda.com/forex-trading/markets/precious-metals for information on the underlying assets available to you.

Objectives

The objective of trading CFDs is to gain a leveraged exposure to price movements and speculate on price movements (generally over the short term) in an underlying asset by obtaining an indirect exposure to the underlying asset. Your return depends on movements in the price of the underlying asset and the size of your stake. For example, if you believe the value of a precious metal is going to increase, you would buy a number of units of the CFD (this is also known as "going long"), with the intention to later sell them 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 precious metal is going to decrease, you would sell a number of units of the CFDs (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, resulting in us paying you the difference, minus any relevant costs (detailed below). However, in either circumstance, if the precious metal price moves in the opposite direction and your position is closed, either by you or as a result of a margin closeout (detailed below), you would owe us the amount of any loss you have incurred together with any costs.

To open a position and to protect us against any losses you incur, you are required to deposit a percentage of the total value of the position in your account. This is referred to as the margin requirement (see further below). Trading on margin can enhance any losses or gains you make.

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

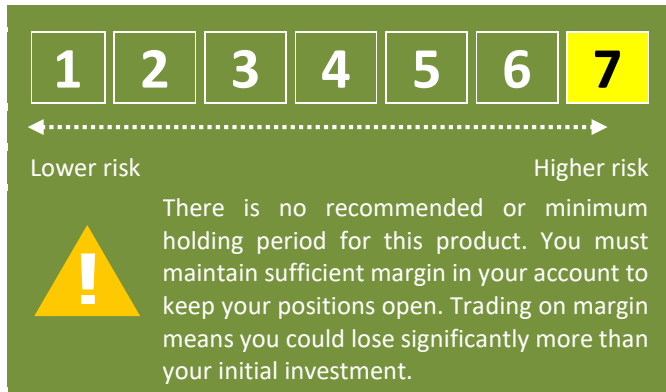
Term

CFDs have no maturity date or minimum holding period. You decide when to open and close your positions.

We have the right but not the obligation to close your position without seeking your prior consent if you do not maintain sufficient margin in your account. More information about when we can close your position is set out below.

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 associated with 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. This is because there is a very high chance that you could lose more than your initial investment. Figures published by the Financial Conduct Authority show that approximately 82% of retail clients trading CFDs with firms regulated by the FCA lose money.

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.

In some circumstances you may be required to make further payments to pay for losses. **The total loss you could incur may significantly exceed the amount invested.** Losses can materialise quickly due to the use of margin (see further below).

CFD trading requires you to maintain a certain level of funds in your account to keep your positions open. This is called margin. You will be able to open a position by depositing only a small percentage of the notional value of the position, creating a leveraged position. Leverage can significantly magnify your gains and losses. If the funds in your account are no longer sufficient to keep your position open, you will be required to make up this shortfall. This is known as a margin call. If you do not meet your margin call, we may close your position (immediately and without notice) and you will realise any losses. You could, therefore, lose more than your entire investment.

You can visit www.oanda.com/resources/legal/europe/legal/margin-rules for further information.

Our CFDs are not listed on any exchange, and the prices and other conditions are set by us in accordance with our Order Execution Policy. Positions can only be closed with us, and are not transferable to any other provider. If you have multiple positions with us, your risk may be cumulative and not limited to one position.

The tax regime of the country in which you are domiciled may impact your return.

This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section 'what happens if OEL is unable to pay out'). The indicator shown above does not consider this protection.

Performance Scenarios

This key information document is not specific to a particular product. It applies to a CFD on any precious metal. However, each CFD you enter into with us is specific to you and your choices. You will be responsible for choosing the underlying metal; when you open and close your position; the size of your position and your margin; and whether to use any risk mitigation features we offer (such as stop loss orders and reducing your leverage to a 10:1 minimum). Each of your positions will also be impacted by any other open position you have with us. These underlying options offered for each CFD will have a material impact on the risk and return of your investment.

The example below shows the money you could lose or get back under different scenarios if you were to opt to trade the Gold CFD.

The scenarios assume that we charge a financing fee daily in addition to our dynamic spread, and thereby includes all the costs of the trade. The figures do not take into account your personal tax situation, which may also affect how much you get back. These performance scenarios assume that you only have one position open, and do not take into account the negative or positive cumulative balance you may have if you have multiple open positions.

The stress scenarios below show what you might lose in extreme market circumstances, and they do not take into account the situation where we are not able to pay you. 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 and are not exact indicators. What you get will vary depending on how the market performs and how long you keep the investment.

Small price movements can rapidly lead to losses, and in some scenarios you would need to deposit additional funds in order to avoid margin closeout when the unrealised loss on your trade exceeds 50% of the margin

required to place the trade. Equally this margin buffer does mean that in some of the scenarios there is no deficit on the account (and in fact a credit balance) following margin closeout, and this certainly applies to the moderate scenario where the only deductions are for spread and the financing fee, as there is no price movement. In certain market conditions, however, it is possible to lose more than your investment.

DEFINITIONS	
Asset Class	CFD - Metal
Instrument (Display)	Gold
Instrument (Underlying)	XAU/USD
Home Currency	GBP
Base Currency	XAU
Quote Currency	USD
Units (Base)	50
Units (Quote)	-63,848
Base/Quote Instrument	XAU/USD
Base/Home Instrument	XAU/GBP
Quote/Home Instrument	USD/GBP

TRADE CHARACTERISTICS	
Leverage	100:1
Value of 1 Pip	0.01
Trade Size	50
Direction: Buy/ Sell	Buy
Notional Exposure (Base)	50 units
Notional Exposure (Home)	£48,156.23
Minimum Margin to Place Trade (Base)	0.5 units
Minimum Margin to Place Trade (Home)	£481.56

EXAMPLE PRICING BASED ON PRICES AVAILABLE 01/11/2017	
Base/Quote Bid @ Open	1276.679
Base/Quote Ask @ Open	1276.95
Base/Home Bid @ Open	962.964
Base/Home Ask @ Open	963.285
Quote/Home Bid @ Open	0.754272956
Quote/Home Ask @ Open	0.754363996
Base Financing Bid	-1.5%
Base Financing Ask	0.8%
Quote Financing Bid	0.9%
Quote Financing Ask	1.4%

Scenarios	Price Change (Pips)	Profit & Loss on Trade (including impact of spread)		Financing Fees		Profit & Loss on Trade after Costs		Size of Additional Deposit to Prevent Margin Close Out	
				Intra-day (open for 4 hours)	10 Days (open for 240 hours)	Intra-day (open for 4 hours)	10 Days (open for 240 hours)	Intra-day (open for 4 hours)	10 Days (open for 240 hours)
Moderate Scenario	0	-USD15	-£13.14	-£0.64	-£38.27	-£13.78	-£51.41		
Margin Close Out	-638.5	-USD 319.25	-£241.38	-£0.64	-£38.26	-£242.02	-£279.64		
Unfavourable Scenario	-1,000	-USD 500	-£378.58	-£0.64	-£38.26	£379.22	-£416.84	£276.88	£352.12
Stress Scenario	-2,000	-USD 1,000	-£760.16	-£0.64	-£38.26	£760.80	-£798.42	£1,040.04	£1,115.28
Favourable Scenario	1,000	USD 500	£375.67	-£0.64	-£38.27	£375.03	£337.40		

WHAT HAPPENS IF OEL IS UNABLE TO PAY OUT?

If OEL is unable to meet its financial obligations to you, this could cause you to lose the value of any CFDs you have with OEL. OEL 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 £50,000 per person, per firm. See www.fscs.org.uk.

WHAT ARE THE COSTS?

This table shows the different types of costs involved when you trade CFD products

One off costs	Spread	The spread is the difference between the buy (offer) and sell (bid) price that we quote. For example, if the underlying asset is trading at 100, our offer price (the price at which you can buy) might be 101 and our bid price (the price at which you can sell) might be 99. You pay the spread by opening and closing a position. The spread we offer is a dynamic spread, and so can vary at any time and may be different when you open and close a position.
	Currency conversion	A currency conversion rate is charged if dealing in a currency other than your account currency.
Ongoing costs	Financing Fees	All positions on your account will be subject to financing fees daily. These can be positive or negative depending on the direction of the position and the current rates.
Other costs	Distributor fees	We may make payments from time to time to certain partners who introduce business to us. These payments may be based on the volume of your trading activity or alternatively a one-off fee when you first trade dependent on the size of your deposits. These fees are paid by OEL, and we only make these payments if they do not breach the Financial Conduct Authority's rules on inducements.

The costs will vary depending on the underlying investment options you choose.

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 sufficient available margin. You should monitor the product to determine when the appropriate time is to exit.

You can close your position at any time.

HOW CAN I COMPLAIN?

If you wish to make a complaint, you should contact us on 0207 101 1600 8am – 6pm (London time), or email disputes@oanda.com. For further information: www.oanda.com/resources/legal/europe/legal/complaints-policy.

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 for further information.

OTHER RELEVANT INFORMATION

You will find detailed information on our products at www.oanda.com/forex-trading/markets/ and financing fees at https://oanda.secure.force.com/AnswersSupport?urlName=Interest-Rate-Calculation-1436196464449&language=en_US. You should ensure that you read the Terms of Business, Order Execution Policy and Risk Warning Disclosures displayed in the legal section of our website, at www.oanda.com/resources/legal/europe/.

Such information is also available on request.