

Key Information Document - Contract for Differences (CFD) on Precious Metals

Purpose: This document provides you, as a retail 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:	Name of Product:	Contract for Difference (CFD)
	Manufacturer:	Pepperstone EU Limited (A Pepperstone Group entity)
	Competent Authority:	The Cyprus Securities and Exchange Commission (licence no. 388/20)
	Firm Contact Details:	Web: www.pepperstone.com Tel: +357 25 030573
		Email: support@pepperstone.com
	Date of document:	December 2025



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

What is this product?

Type Contract for Differences on Precious Metals - XAUUSD (Gold vs. US dollar)

Term CFDs are generally used for short term trading, often intra-day, so this product has no maturity date or cancellation period. We may unilaterally close your CFD contract(s) if you do not maintain sufficient margin in your account at all times.

Objectives This product aims to allow investors to take advantage of prices moving up (long positions) or prices moving down (short positions) on underlying financial instruments. It is often used to speculate on those markets. Trading this product enables investors to have exposure to price movements of an underlying financial instrument without actually owning it.

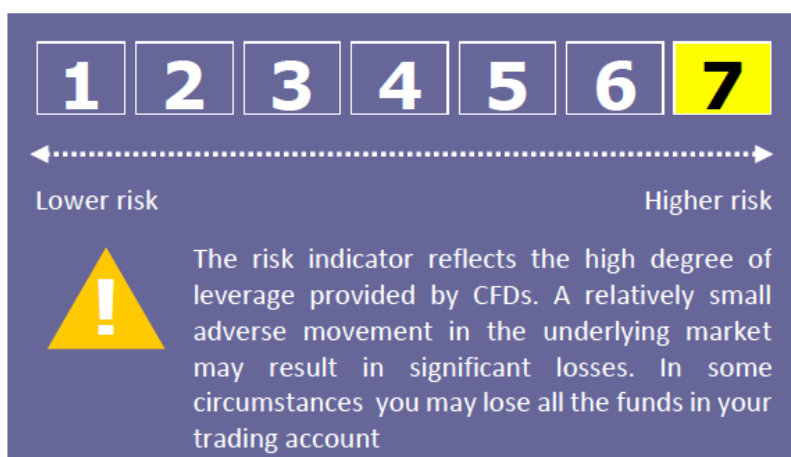
Intended retail investor Investors who have knowledge or experience of trading in leveraged products, and wish to have exposure to movements in the precious metals markets, such as;

- Hedgers who seek to reduce risk by protecting an existing exposure against possible adverse price movements in the price of the relevant metal. Hedgers have a real interest in the underlying precious metal.
- Speculators who use CFDs in the hope of making a profit on short-term movements. They often buy and sell derivatives contracts in their own right without transacting in the underlying financial instrument. Speculators may have no interest in the underlying financial instrument other than taking a view on the future direction of its price.

This product is not appropriate for everyone and should only be used by investors that are able to bear losses and understand the mechanics and risks of leveraged trading including the use of margin deposits.

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 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, as this is a leveraged financial derivative and a small movement in the underlying market may have a large impact on the value of the CFD.

The CFD products that we offer are not listed on a regulated market, and can only be closed with us and not with any other CFD provider. If you fail to maintain an adequate margin deposit to cover any losses, we may close your position without further reference to you.

Be aware of currency risk. You may receive payments in 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 above.

This product does not include any protection from future market performance and in some circumstances, you may be required to make further payments to maintain your position. **As a retail client, the total loss you may incur is limited to the funds in your trading account.**

If we are not able to pay you what is owed, you could lose your entire deposit, however, you may benefit from a consumer protection scheme (see section “what happens if we are unable to pay you”). The indicator shown above does not consider this protection.

Performance scenarios

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the underlying financial instrument, based on daily price data over the last 5 years. The stress scenario shows what you might get back in extreme market circumstances, but it is not the worst case and it does not take into account the situation where we are not able to pay you. What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

XAUUSD Notional value 100 x Price per ounce in dollars = \$500,000 approx. Minimum initial margin = \$25,000		Long	Short
Stress scenario	What you might (lose) after costs As a percentage of notional As a percentage of initial margin	(\$20,900) (4.18%) (83.60%)	\$21,850 (4.37%) (87.40%)
Unfavourable scenario	What you might (lose) after costs As a percentage of notional As a percentage of initial margin	(\$8,150) (1.63%) (32.60%)	(\$9,600) (1.92%) (38.40%)
Moderate scenario	What you might make/(lose) after costs As a percentage of notional As a percentage of initial margin	\$3550 0.71% 14.20%	\$2,900 0.58% 11.60%
Favourable scenario	What you might make after costs As a percentage of notional As a percentage of initial margin	\$9,700 1.94% 38.80%	\$8,800 1.76% 35.2%

This table shows the money you could make or lose over one day (illustrative holding period), under different scenarios, assuming that your contract has a notional value of \$500,000 and would require a minimum initial margin deposit of 5% (\$25000) to open. The scenarios shown illustrate how your contract could perform. You can compare them with the scenarios of other products. The market may perform differently in the future. Intra-day movements may exceed daily movements. What you make or lose will vary depending on how the market performs and how long you keep the contract open. Note that your contract may be closed automatically if you do not maintain sufficient margin in your account. The figures shown include all the costs of the product itself, but may not include all the costs you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Effect of leverage



Please note that leverage will magnify any profits or losses based on the price movements in the underlying financial instrument. For example, on a leverage of 20:1 you would be required to deposit and maintain a minimum initial margin deposit of 5% of the notional value of your contract.

In the performance scenarios above, based on a notional contract value of \$500,000 and leverage of 20:1, you would be required to deposit \$25,000 as initial margin. If the value of underlying financial instrument moved against you by more than 5%, you would lose all of your initial margin deposit.

What happens if we are unable to pay out?

We participate in the Investor Compensation Fund ('ICF'), which means you may be entitled to compensation from the ICF if we are unable to pay, subject to a maximum compensation of EUR 20,000. Further information about the compensation is available at our website www.pepperstone.com as well as at the website of the Cyprus Securities and Exchange Commission <https://www.cysec.gov.cy/en-GB/complaints/tae/information/> or by post to the following address: Investor Compensation ICF for IF Clients, 27 Diagorou Str., 1097 Nicosia, Cyprus.

What are the costs?

Before you begin trading CFDs on Precious Metals you should familiarise with all one off and ongoing costs for which you will be liable. For more information please visit our website www.pepperstone.com and our [Cost & Charges information document](#)

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

One-off entry and exit costs	Spread	The spread is the difference between the buy price and the sell price that we quote on our platform. This cost is realised each time you open and close a trade.
	Commission	Applicable to our razor account only, this is a commission charged when you buy and sell a CFD based on the notional value of the trade
Incidental costs	Currency conversion	The fee charged for converting realised profits/losses, any adjustments denominated in a currency other than the base currency of your account
Ongoing costs	Daily holding cost	The financing fee charged to your account for every night 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?

CFDs are generally used for short term trading on price movements, often intra-day. This product has no minimum or recommended holding period and you can close your contract at any time during market hours.

How can I complain?

If you have any complaints about the product or conduct of Pepperstone EU Limited or the person advising on or selling the product, you may lodge your complaint in one of the three ways:

- You can contact us by calling our Customer Services team on +357 25 030573 who will explain what to do;
- You can log your complaint by emailing our client support team at support@pepperstone.com. If our support representative is not able to resolve your issue, then you can raise the matter as a complaint with our compliance team. You can contact our compliance team at: compliance.eu@pepperstone.com
- Or write to us at Pepperstone EU Limited
Attention – the Compliance Manager, Pepperstone EU Limited, Arch. Makariou III, 195, Neocleous House, 3030, Limassol, Cyprus.

After receiving our final decision for the relevant complaint, if you are still dissatisfied with our handling or findings in relation to that complaint, you may refer the matter to the Financial Ombudsman Of the Republic of Cyprus, by post to the address 15 Kypranoros, 1061 Nicosia or via mail to complaints@financialombudsman.gov.cy for further investigation and resolution.

Other relevant information

This document is only a high-level summary of this product. You can find our Key Information Documents and further information, including performance scenarios, relating to the other products we offer on our website at www.pepperstone.com