BANCO CARREGOSA 1833

Key Information Document

CFDs on Futures

Purpose

This document provides you with key information about this investment product or financial instrument. It is not marketing material. This information is required by law to help investors understand the nature, costs and fees, inherent risks, and rewards of trading and holding this product in order to compare it with other products.

Product

The issuer of this product is Bank L.J. Carregosa, S.A. ("Banco Carregosa"). Contact us on +351 213 232 950 for more information. Banco Carregosa is under the supervision of the Portuguese Securities Market Commission (CMVM). This Key Information Document was published on 15 February 2018.

Alert

You are about to purchase a product that is highly sophisticated and may be difficult to understand.

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What is this product?

Type

Contracts for Difference on Futures ("CFDs on Futures") are, pursuant to Section C of Annex I of MiFID II (Directive 2014/65/EU), a derivative financial instrument.

Objective

A CFD on Futures at the time at which the contract was entered into and its market value at the closing date. Thus, this type of contract allows investors to gain exposure to the performance of the underlying asset without transfer of its rights (the right to, at the end of the contract, acquire the underlying asset of the futures contract). Visit https://www.bancocarregosa.com/bancocarregosa/pt/negociacao/produtos/cfds/ for more information about CFDs on Futures.

Since it is a difference contract, if, at the stipulated closing date the market value of the underlying asset has risen compared to that at the time the contract was entered into, the seller will pay the buyer that difference. Conversely, if the difference is negative – if the value of the underlying asset falls – the buyer pays the difference.

Thus, in anticipation that the market value of the underlying futures contract will rise, you should open a long position. On the other hand, if a fall in market value is anticipated, you should go short.

Banco Carregosa is your counterparty in the CFDs traded on the GoBulling Pro platform.

CFDs allow you to gain exposure to the variation of the market value of the underlying asset, whereby you, the investor, in order to open a position, need only maintain a percentage of the notional value of that asset, traded on margin, in your account. Your account must, at all times, have sufficient funds in the margin account greater or

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equal to the required margin for open positions. Note that leveraging requires extra caution, because while you can make a large profit if the price moves in your favour, you risk losses in excess of the amount invested if the price moves against you.

Specific information on each underlying investment option can be found here: https://www.bancocarregosa.com/pt/repositorio/manuais-gobulling/manual-cfds.pdf

For small investors

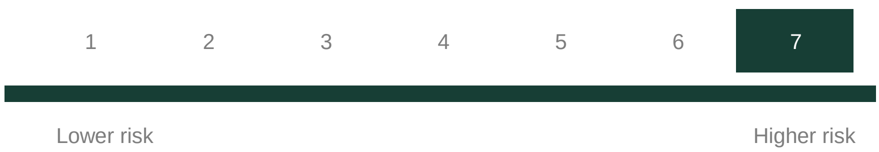
Trading in this product is not appropriate for everyone. This product is commonly used by investors who want to gain short-term exposure to financial instruments; trade with money they can afford to lose; have a diversified investment and savings portfolio; have a high tolerance for risk; and understand the impact of and risks associated with margin trading.

Duration

CFDs on Futures have a monthly expiry and settlement6, at the term determined for the underlying asset. The contract for the immediately following month (current) and the month after that (next contract) will be available to allow investors to transition between maturities. The specific expiry date and term for CFDs on Futures can be found on the electronic trading platform.

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 as a result of price movements in the market or counterparty risk. This product has been classified as 7 out of 7, which is the highest risk class. This rating reflects a high probability that potential losses may occur. The exchange rate risk is relevant because you may receive payments in a different currency, so the final return will depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. Trading risks are magnified by leverage (risk multiplier) – the total loss you can incur may significantly exceed the amount invested or deposited. Profit or loss may vary significantly in times of high volatility or market/economic uncertainty. Such fluctuations are even more significant if positions are leveraged and may also adversely affect your position. As a result, margin calls may be made quickly or frequently. In the event of default, your positions may be compulsorily closed and you will bear any and all losses. Trade only after you acknowledge and accept the risks. You should carefully consider whether trading leveraged products is right for you.

Performance scenarios

There are several types of trading risk, including leverage risk, of which you should be aware before you start trading. Detailed information on factors affecting the performance of this product is available at https://www.bancocarregosa.com/pt/repositorio/manuais-gobulling/manual-cfds.pdf. These include, but are not limited to;

- Leverage risk
- Risk of unlimited loss
- Margin risk
- Exchange rate risk
- Market risk
- Unregulated market risk
- Market disruption risk
- Counterparty risk
- Online trading platform and information technology risk
- Conflicts of interest

Calculation of profit/loss:

Your profit or loss on a CFD depends on the price changes of the underlying asset. In a long position, the profit or loss is calculated as the difference between the closing price of the contract and the contract price at the time of opening the position. In a short position, profit or loss is calculated as the difference between the contract price at opening and the contract price at closing. All prices are determined with reference to the price of the underlying asset. However, this difference has to be multiplied by the number of contracts purchased to determine the total and final profit or loss.

Formula for calculation of profit/loss:

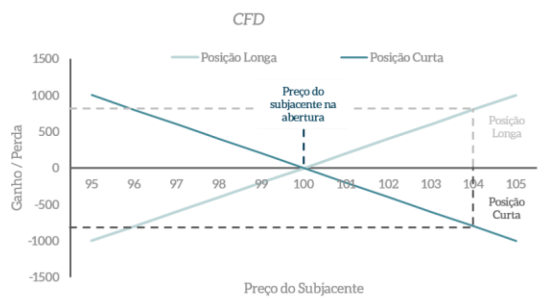
Long Position: Profit or Loss = (Closing Price - Opening Price) x Quantity

Short Position: Profit or Loss = (Opening Price - Closing Price) x Quantity

Price of the underlying asset at the time of purchase of the CFD on Futures	100
Quantity	200

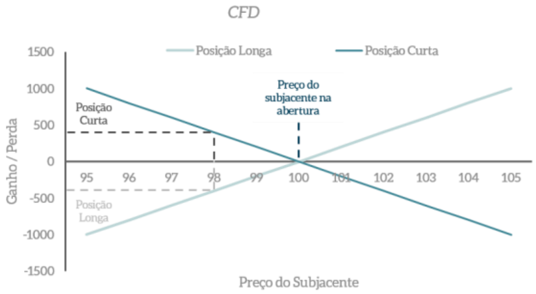
Example 1:

The buying or selling price of the contract is 100. At the time of closing the position, the contract price is 104. A long investor makes a profit of 800: (104 - 100) x 200 = 800. Conversely, a short investor makes a loss of 800: (100 - 104) x 200 = -800.



Example 2:

The buying or selling price of the contract is 100. At the time of closing the position, the contract price is 98. A long investor makes a loss of 400: (98 - 100) x 200 = -400. Conversely, a short investor makes a profit of 400: (100 - 98) x 200 = 400.



What happens if Banco Carregosa is unable to pay out?

Banco Carregosa is a fully accredited European bank and is a member of the Investor Compensation Scheme ("Sistema de Indemnização aos Investidores" or "SII") that operates with the CMVM, guaranteeing coverage of claims against a participating entity as a result of its financial inability to, in accordance with the applicable legal and contractual conditions, reimburse or return to investors the funds owed to them or belonging to them and that are specially allocated to investment operations, or that are held, administered or managed on their behalf within the scope of investment operations. The rules of procedure of the SII, namely, scope of coverage, limits and exclusions, may be obtained from the CMVM (www.cmvm.pt).

What are the costs?

Before you start trading CFDs on Futures, you should familiarise yourself with all the one-off, ongoing and incidental costs you will bear. These costs will reduce any net profit or increase your losses. For more information, visit our website: https://www.bancocarregosa.com/en/plataformas-negociacao-gobulling/cfds/

The table below illustrates the different types of costs incurred on CFDs on Futures

One-off costs	Spread	Spread calculated as a percentage of the bid, as per the web page above.
	Currency conversion spread	Profit or loss is converted, at the time it is incurred, at the average bid and ask exchange rate, plus a spread of 1%, published by Saxo Bank for the CFD on FOREX of the currency pair.
Ongoing costs	Maintenance costs	If you hold a position in a CFD on a future, you may be subject to a maintenance cost, which is calculated based on the daily margin requirement and applied when a position is held overnight.
Incidental costs	-	-

How can I lodge a complaint?

If, as a customer or potential customer of Banco Carregosa, you have raised an issue or problem with, for example, your account manager or another Bank employee without receiving a satisfactory response, you should lodge a complaint either:

- By post, to the following address:
  - Avenida da Boavista 1083, 4100-129 Porto
- By e-mail, to the following address:
  - ocorrencias@bancocarregosa.com
- By fax, to the following number:
  - 226086488.

If you are not satisfied with the response to your complaint, you can lodge a complaint with the Portuguese Securities and Exchange Commission:

Rua Laura Alves, n.º 4, apartado 14258, 1064-003 Lisbon.

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