

Key Information Document

Crypto Fx

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

This key information document contains general information on Crypto FX. [Banco L.J. Carregosa, S.A.](#) is the distributor of this product. 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 17 September 2021.

Cautionary statement

You are about to purchase a product that is highly sophisticated and may be difficult to understand. Given the risks associated with trading Crypto FX, the product has been assigned the highest risk rating (Level 7).

What is this product?

Type

Crypto FX is, pursuant to Section C of Annex I of MiFID II (Directive No. 2014/65/UE), a derivative financial instrument indexed to the fluctuations of the underlying cryptocurrency, such as Bitcoin (BTC) against the US Dollar (USD).

Objective

The objective of trading in Crypto FX is to gain exposure to cryptocurrency without directly holding it. Its return is directly linked to the performance or changes in cryptocurrency and the size of your position.

The product is traded on margin to enable you to leverage your investment by incurring greater exposure than the amount originally used to open the position. Trading on margin requires extra care by investors as unfavourable as changes in the price of the underlying asset may result in heavy losses. Two types of margin are applied:

- i. Initial margin: the amount/collateral required to open a new position; and
- ii. Maintenance Margin: the amount/collateral needed to maintain the position.

Using the example of BTCUSD and assuming an indicative Initial Margin of 50% and an indicative Maintenance Margin of 40%: if BTCUSD is quoted at EUR 50,000 and you trade 0.24 BTC, you would require USD 6,000 ($50,000 \times 0.24 \times 50\%$) margin to open a long or short position. To maintain that same position, you would require a margin of USD 4,800 ($50,000 \times 0.24 \times 40\%$).

The Maintenance Margin is used to calculate margin utilisation. If the client's losses exceed 100% of the used margin, the positions will be compulsorily closed, which means that automatic orders will be placed to close the open positions and also that any active orders will be cancelled.

Trading in Crypto FX by non-professional clients is covered by the protections conferred by CMVM Regulation No. 5/2019.

Type of target retail investor

This product is not suitable for all retail clients. The product is typically used by investors seeking short term exposure to certain financial instruments/markets;

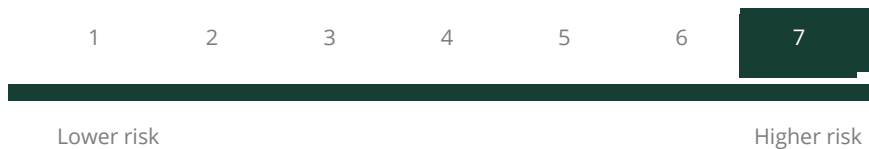
trade with capital they can afford to lose; have a diversified investment and savings portfolio; have a high risk tolerance; and understand the impact of and risks associated with margin trading.

Duration

Crypto FX trading is not associated with any investment advisory services, therefore holding periods for the product are not recommended. Open positions will be held until the next trading day and it is up to the investor to maintain or close the position. However, maintaining the position depends on the amount of available margin.

What are the risks and what could I get in return?

Risk indicator



The 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 market price changes or counterparty risk. This product has been rated 7 out of 7, which corresponds to 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.

Gains or losses may vary significantly in times of high volatility or market/economic uncertainty. Such fluctuations are even more significant if an investor's positions are leveraged and may also adversely affect your position.

As a result, margin calls may be placed quickly or frequently. In the event of default, the investor's positions may be compulsorily closed out and any losses will be borne by the investor. Trade only after you acknowledge and accept the risks. You should carefully consider whether trading leveraged products is right for you.

Performance scenarios

The following information illustrates the amount the investor could recover within 30 days under a number of different scenarios, assuming a nominal value of EUR 10,000. The scenarios illustrate the possible performance of the investment and may be compared with the performance of other products. The information presented should not be understood as an exact indicator of performance, as it is based on estimates of future performance calculated based on past data. The profitability of the investment depends on market behaviour and on the period positions are held. The stress scenario illustrates the potential for profitability in a situation of extreme market circumstances and does not include the possibility that Banco Carregosa may not be able to pay in the event of insolvency or default on its obligations as counterparty. The information includes all costs associated with the product and does not take into account the tax situation of each client, which may affect the levels of profitability obtained.



Pressupostos Cenários

Description	Instrument	Opening price (USD)	Quantity (BTC)	Nominal Value EUR	Initial Margin		Maintenance Margin		Spread	Rollover		Exchange Rate	Holding Period (days)
					%	EUR	%	EUR		Long Positions	Short Positions		
Symbol / Equation	I	P	TS	$VN = P \times TS$	MI	$MI = VN \times \frac{MI}{VN}$	MMR	$MMR = V \times \frac{MMR}{V}$	S	TNL	TNS	EURUSD	PD
Value	BTCUSD	50.000	0,24	10.000	50%	5.000	40%	4.000	120,00	35,00	-10,00	1,20	30

Scenarios

Scenario	Long Positions				Short Positions			
	Closing Price	Price change	Total Cost	Total Gains/Losses	Closing Price	Price change	Total Cost	Gains/Losses Totals
Favourable	68.206	36.41%	199.00	3.442	39.353	-21.29%	74.00	2.055
Moderate	52.292	4.58%	199.00	259	52.033	4.07%	74.00	-482
Not very favourable	39.768	-20.46%	199.00	-2.245	68.021	36.04%	74.00	-3.678
Stress	10.775	-78.45%	199.00	-8.044	148.567	197.13%	74.00	-19.787

What happens if the producer is unable to pay out?

These financial instruments are covered by the Investor Compensation Scheme ("Sistema de Indemnização aos Investidores" or "SII") which operates at the CMVM, guaranteeing coverage of claims against a participating entity as a result of its financial incapacity 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?

Costs over time

Reduced Revenue Yield (RIY) illustrates the impact of total costs on product performance. Total costs include one-off costs, ongoing costs and other costs. The amounts shown represent the cumulative product costs for an indicative 30-day period, assuming a nominal value of EUR 10,000. The amounts shown are estimates and may vary over time.

One-off costs	Spread	The difference between the bid and offer price. The spread depends on different factors including the liquidity and volatility of the underlying asset, the volume of the transaction and the timing of its execution.	BTCUSD default spread 120 (Minimum).
	Currency conversion of gains / losses	The commission charged for converting realised gains/losses from the instrument currency to the account currency.	0.50%
Ongoing costs Rollover		Tom/Next swap points (forward price) Swap points used are calculated using the implied futures market interest rate, +/- a fixed mark-up depending on the account type. The rate obtained is used to adjust the opening price of the position.	Tom/Next Mark-up +/- 6.30%
		Financing of unrealised gains/losses (Financing interest) Unrealised gains/losses maintained from one trading day to the next are subject to an interest debit or credit.	Financing interest rate +/- 2,00%
Other costs	-	-	

How long should I hold the investment and is it possible to withdraw the money in advance?

The product does not have a recommended holding period.

The product has no time limit. The investor may trade (buy/sell) the PRIIP at any time as long as the respective market is open and operating.

How can I lodge a complaint?

If, as a client or potential client 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