

Key Information Document

Exchange Traded Products

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 is generic and the product may be produced by different entities. The issuer of this product is Banco 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.

What is this product?

Type

Exchange Traded Products ("ETPs") are subdivided into three types of different products:

Exchange Traded Funds (ETFs)

ETFs are investment funds traded on a trading platform as an autonomous security, designed to follow an underlying benchmark (an index, a commodity, a basket of shares, etc). ETFs are open-ended and their assets are divided into units.

Exchange Traded Commodities (ETCs)

These are securities that give direct exposure to certain commodities – such as oil, gold or silver. Because they are traded on trading venues (e.g. a regulated market), their mechanism is similar to that of equity and their value is indexed to the value of the underlying commodity. ETCs do not grant any right to acquire the underlying asset.

Exchange Traded Notes (ETNs)

Exchange Traded Notes are non-remunerated debt securities designed to track the return of a benchmark or underlying asset. ETNs are usually issued by banks or management companies and may not be hedged by collateral. Regardless of whether their return refers to a benchmark or underlying asset(s), ETNs are similar to unsecured listed bonds. ETNs have counterparty risk, depending primarily on the creditworthiness of the issuer. A change in such creditworthiness could adversely affect the value of the ETN, regardless of the performance of the underlying benchmark or asset. In extreme circumstances, default by the issuer would leave the investor in the position of an unsecured creditor to the issuer.

Exchange Traded Products – Table of comparison

ETP sub-type	ETF	ETC	ETN
Class of financial instrument	Collective investment vehicle	Commodity derivative	Debt security
Credit risk of issuer	Limited	Limited	Yes
Managed by OICVM	Yes (in the EU)	No	No

Objective

The objective of trading an ETP is to gain exposure to its underlying asset without having to hold it directly. Movements related to a given benchmark index without owning it. Its return is directly linked to the performance of the underlying asset.

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

ETPs have no fixed or recommended expiration date. Whether you open or close your position is up to you, but you may settle the product with prior notice.

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

Given the many ETPs available, it is not possible to describe all performance scenarios. You should however take caution that, in the worst case scenario, holding these products may result in the loss of the entire amount invested.

What happens if the ETP producer cannot pay?

ETPs carry credit risk for their producers, who may not be able to meet payment obligations in the event of solvency. The financial instruments in question are covered by the Investor Compensation Scheme ("SII") that operates with the CMVM, guaranteeing coverage of claims against a participating entity as a result of its financial ability 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 ETPs, 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/plataformas-negociacao-gobulling/etfs/>

The table below illustrates the different types of costs incurred on ETPs

One-off costs	Entry costs	Price list applicable, as published in https://www.bancocarregosa.com/pt/precario/
	Exit costs	Price list applicable, as published in https://www.bancocarregosa.com/pt/precario/
Ongoing costs	Custody costs	Where applicable. See the price list published in https://www.bancocarregosa.com/pt/precario/
Incidental costs	Currency conversion spread	The purchase and sale transactions are converted, at the time they occur, at the current exchange rate, at a spread of 0.5%.

How long should I hold the investment and can I withdraw the money in advance?

The product has no recommended holding period.

The product has no fixed period. As long as the respective market is open for trading, you can trade (buy/sell) the PRIIP at any time.

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