

# Key Information Document

## Rolling Fx Spot

### **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.

### **What is this product?**

#### **Type**

Rolling FX Spot is, pursuant to Section C of Annex I of MiFID II (Directive 2014/65/EU), a derivative financial instrument.

#### **Objetivo**

A Rolling FX Spot is a derivative contract indexed to the fluctuations of the spot quote of a currency pair (the underlying), such as the Euro (EUR) against the US Dollar (USD) – called EURUSD. These contracts are transferred to the next trading day at the daily quotation, if the respective position remains open at the end of a trading day. Visit <https://www.bancocarregosa.com/bancocarregosa/pt/negociacao/produtos/forex/> for more information about currency pairs available.

The return on this instrument replicates the performance of the underlying currency pair. This product is traded to gain returns on currency appreciation/depreciation or for currency hedging and is usually traded on margin. Margin trading allows you to leverage your investment, i.e. using a small amount of capital can support an investment with a larger exposure. 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.

#### **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**

In general, a Rolling FX Spot has no recommended holding period. The positions held that are carried forward between sessions are not settled, so at the end of a trading session they are carried forward to the next available business day, and the entry price is revalued.

Specific information on each underlying investment option can be found here:

<https://www.bancocarregosa.com/en/repository/1-9-12/forex-manual.pdf>

## 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/bancocarregosa/pt/repositorio/manuais-gobulling/manual-forex.pdf>. These factors 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 an FX Spot 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 future and the future price at the

time of opening the position. In a short position, profit or loss is calculated as the difference between the future price at opening and the future price at losing. All prices are determined with reference to the price of the underlying asset. However, this difference has to be multiplied by the amount invested to determine the total and final profit or loss.

**Formula for calculation of profit/loss:**

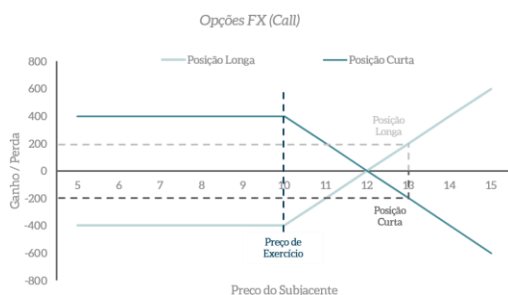
Long Position: Profit or Loss = (Closing Price - Opening Price) x Amount Invested

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

Price of the underlying asset at the time of purchase of the FX Spot	100
Amount invested	200

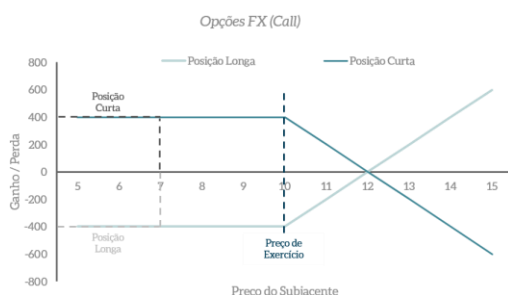
**Example 1:**

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



**Example 2:**

The buying or selling price of the future is 100. At the time of closing the position, the price of the future is 98. A long investor makes a loss of 400:  $(98 - 100) \times 200 = -400$ . Conversely, a short investor makes a profit of 400:  $800 - (100 - 98) \times 200 = 400$ .



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### 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](http://www.cmvm.pt)).

### What are the costs?

Before you start trading a Rolling FX Spot, 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.

The table below illustrates the different types of costs incurred on Rolling FX Spot

	Spread	The difference between the bid (sell) price and the ask (buy) price. The spread depends on many different factors including, but not limited to, the underlying liquidity and volatility, the time of day and the size of the notional trade.
One-off costs	Commission	Applicable to transactions whose volume is less than the established minimum for each currency pair, as per the information on: <a href="https://www.bancocarregosa.com/en/repository/1-9-1/precario-de-produtos-financeiros-en.pdf">https://www.bancocarregosa.com/en/repository/1-9-1/precario-de-produtos-financeiros-en.pdf</a>
	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	Tom points /Nextswap (forward price)	Swap points used are calculated using the Tier 1 banks' tom/next swap quotes, adjusted for a markup/down and reflected in the entry/opening price.
	Financing of unrealised profit/loss (financing interest)	Any unrealised profit/loss that is carried forward between sessions is subject to an interest credit or debit.

Charges to investors are advertised on the platform and available for consultation before opening a position and comprise a spread and a fixed commission, the latter only applicable for transactions below a predefined amount.

Banco Carregosa's trading conditions are available here: <https://www.bancocarregosa.com/pt/plataformas-negociacao-gobulling/>.

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

#### Recommended holding period: no recommended holding period

A Rolling FX Spot has no recommended holding period. As long as Saxo Bank A/S is open for trading, you can enter and exit positions 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](mailto: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