KEY INFORMATION DOCUMENT (KID)
FUTURES CONTRACTS – Generic

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, costs, risks and rewards of this product and to help you compare it with other products.

Product

Designation: **FUTURES CONTRACTS**
Seller: DIF BROKER - Sociedade Financeira de Corretagem, S.A. ("DIF Broker"): DIF BROKER markets this product as a result of a trading agreement with Saxo Bank A / S, a financial entity supervised by the Danish Financial Services Authority.
Dif Broker's Contacts: For further information, you may contact DIF Broker on +(351) 211 201 595. Website: www.difbroker.com
Supervisory authority: Portuguese Securities Market Commission, CMVM.
Publishing data of this document: 29.12.2017
Date of 1st revision: 20.12.2019

Alert

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

What is this product?

Product: The Futures Contract is a standard, reversible contract of purchase and sale of a given quantity and quality of an asset (financial or otherwise) at a specified future date, at a price set forth herein. Under the Futures contract, the buyer is bound by the payment of the agreed price and the seller is bound by the delivery of the asset under the agreed conditions. Futures contracts may be the subject of physical settlement (in which the seller delivers the goods sold) or financial settlement (in which there is no physical delivery of the goods, but only a settlement due to the market price of the asset in the settlement date). Futures contracts are fully standardized so that price is the only tradable variable. Futures contracts allow either party to reverse its contractual position by doing an operation contrary to the initial (selling a contract of the same series as originally purchased, or buying a same series contract as originally sold). A Future contract allows you to indirectly exposure to an underlying financial product or instrument (for example, real estate value, commodity or index). The investor has no direct interest in the financial product or instrument and may therefore realize gains or losses as a result of price or value movements related to the underlying financial product or instrument to which it will have indirect exposure. This product is usually traded with a "margin": the investor has to advance a portion (margin) of the contractual position value assumed to support an investment with a higher exposure. Please note that trading with margins requires extra caution as the investor can make big profits if the price moves in his favor and risks considerable losses if the price moves in the opposite direction since opening the position. For additional information on margins, please visit: https://www.difbroker.com/en/esmainformacaogeraleadicional/
Additional information about the features of this product can be found at www.difbroker.com as well as in the pre-contract information document provided by DIF Broker at the time of account opening and also available at www.difbroker.com.

Objetives: The purpose of trading a Future Contract is to gain exposure to movements related to a financial product, benchmark or instrument without owning it. Return depends on the range of performance (or movement) of the underlying asset and the size of its position. For example, if the investor believes that the value of a commodity, currency parity, bond or stock index will increase, he may buy a certain number of "going long" futures with the intention of selling them later when they reach a highest value. For the investor, the profit will be the difference between the purchase price and the sale price minus the relevant costs (detailed below). If the investor considers that the value of a commodity, currency parity, bond or stock index will decrease, he sells a certain number of going short for a specific amount and expects to repurchase them later for a lower value. that for which the investor has agreed to sell them, resulting in the payment of the difference by DIF Broker, deducted from the relevant costs (detailed below). However, if its position is terminated as a result of the underlying instrument having moved in reverse, the investor is indebted to DIF Broker for the amount of the loss incurred (plus any relevant costs). This product is usually traded with a margin: the investor has to advance a portion (margin) of the contractual position value assumed to support an investment with a higher exposure. Please note that trading with margins requires extra caution as the investor can make big profits if the price moves in his favour and risks considerable losses if the price moves in the opposite direction since opening the position.

Intended retail investors: Trading this product will not be appropriate for everyone. DIF Broker considers that Futures are appropriate for retail investors who have the following characteristics:

• **Knowledge and experience**: have high knowledge in capital markets and proven experience in trading complex financial instruments; understand the impact and risks associated with margin trading.

• **Financial situation**: have a financial situation that allows the loss of the initial investment and even superior amounts;

• **Risk tolerance:** Seek speculative and high return investments, but understand the associated increased risks;
• **Objectives and needs**: seek investments in the very short term and always less than one year; Aim hedging and speculation.

Maturity: Futures contracts have a maturity on the expected date and will be settled financially on that date. For more information you can consult the trading platform.

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

Risk Indicator

1	2	3	4	5	6	7

Lower Risk **Higher Risk**

There is no minimum or recommended holding period for this product. *The investor must maintain sufficient margin in the account to hold open positions in this product class. Trading with margin means that the investor can significantly increase both profit and loss, with the risk of losing the total amount invested.*

The above simplified risk indicator is a guide to the risk level of this product compared to other products. It shows the likelihood of loss of money either from the product due to market movements or the impossibility of repaying the investor. This product is rated 7 out of 7, which corresponds to the highest risk class. Potential losses from future performance are rated at a very high level. **Be aware of exchange rate risk as the investor 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 presented above**. In some circumstances, the investor may be required to make additional payments to pay for the losses. Trading risks are increased by leverage: the total loss an investor may incur may amount to the full amount invested in trading the Future and may exceed that investment.

Values may vary significantly in times of high volatility or market / economic uncertainty; Such fluctuations are even more significant if investor positions are leveraged and may also adversely affect their position. As a result, margin enhancement requirements may be requested quickly or frequently and, in the event of default, the investor's positions may be closed and any outstanding amount will be borne by the investor. Trade only after recognizing and accepting the risks. The investor should carefully consider whether leveraged trading is right for him.

Futures are subject to market liquidity risk and the availability of liquidity provided by market makers. The investor may undo its position at any time during the trading hours of the CFD market, under normal market conditions. Values may vary significantly in times of high volatility or market / economic uncertainty; Such fluctuations are even more significant if investor positions are leveraged and may also adversely affect their position. Values may vary significantly in times of high volatility or market / economic uncertainty; Such fluctuations are even more significant if investor positions are leveraged and may also adversely affect their position. Trade only after recognizing and accepting the risks. The investor should carefully consider whether trading complex products is right for him.

Futures are subject to market liquidity risk and the availability of liquidity provided by market makers. The investor may undo its position at any time during the opening hours of the market where the Future is listed, under normal market conditions.

Performance Scenarios:

There are several types of trading risk, including leverage risk, which you should be aware of before you start trading. Factors affecting the performance of this product include, but are not limited to;

- Leverage risk
- Liquidity risk
- Unlimited loss risk
- Margin risk
- Currency risk
- Market risk
- Unregulated market risk
- Market risk of the underlying asset.
- Risk of market disruption
- Counterparty risk
- Online trading platform and information technology risk
- conflicts of interest
- Taxes / Tax Procedures applicable according to investor typology and / or nature of capital gains / income

The investor may incur losses higher than the invested capital. These losses are more pronounced and are related to the speed of price depreciation of the underlying assets in the timeframe between the position opening date and the position closing date of the Futures contract. The investor may incur unlimited earnings. These gains are more pronounced and are related to the speed of price appreciation of the underlying assets in the timeframe between the purchase date and the sale date of the Futures contract.

Specific examples of trading on Futures can be found **here**.

What happens if DIF Broker is unable to pay out?

DIF Broker is a fully accredited Portuguese Brokerage company and is a member of The Investor Compensation Scheme (http://www.cmvm.pt/en/Investor_area/SistemaDeIndemnizacaoAosInvestidores/Pages/default.aspx); The Investor Compensation

Scheme ("*Sistema de Indemnização aos Investidores*" or "SII") is a legal entity, established under the terms of Decree-Law 222/99 of 22 June, which operates jointly with the Portuguese Securities Market Commission (CMVM). Its aims are to protect small investors. In the unlikely event that DIF Broker is declared bankrupt, SII covers cash amounts, securities and margin positions as follows. Securities, for example stocks, held in an individual custody account will be returned to the owner, irrespective of a winding-up order. In the unlikely event that DIF Broker is unable to return the securities held in safe-custody, administered or managed, cash or margin positions, SII as a rule covers losses of up to EUR 25,000 per investor. For more information, you can visit Portuguese Securities Market Commission, CMVM at http://www.cmvm.pt/en/Pages/homepage.aspx. If the person advising or selling to you is not DIF Broker directly please contact them directly.
DIF Broker as a distributor of Saxo Bank A / S products or other financial counterparties, in due diligence, monitors and selects solvency and liquidity counterparties to minimize the impact of counterparty risk.
If the entity that advises or sells you these products is not DIF Broker, please contact that entity directly.

What are the costs:

Before you begin to trade Futures you should familiarize yourself with all one-off, ongoing, and incidental costs for which you will be liable. These charges will reduce any net profit or increase your losses. For more information please visit our website http://www.difbroker.es/web/en_gb/pricing.

This table illustrates the different types of costs you may incur when investing in Futures:		
One-off costs	Spread	The difference between the bid (sell) price and the offer (buy) price.
	Comission	The fee charged for the service of carrying out the transaction, subject to a minimum fee on small notional trade sizes.
	Currency Conversion Fee	The fee charged for converting realized profit/loss from the instrument currency to the account currency
On-going costs	Carrying Costs	If you hold a position in Futures Contracts, you are subject to a carrying cost. The carrying cost is calculated on the basis of the daily margin requirement and applied when a position is held overnight.
Incidental costs	-	-

How long should I hold it and can I take money out early?

Recommended holding period: NO RECOMMENDED HOLD PERIOD

Futures Contracts do not have a recommended maintenance period. During the exchange trading periods defined
To this end, it may acquire or dispose of positions at any time. However, Futures Contracts will expire in accordance with the date provided for this purpose and is the object of financial settlement on that date.

How can I complain?

As a customer or potential customer of DIF Broker, if you have raised a question or identified a problem with DIF Broker, for example with a DIF Broker employee who has not received a satisfactory response, you may file a complaint with the I) Personally, by going to any of the offices of DIF Broker and making use of the Complaints Book available for this purpose, in physical and electrical versions or (ii) by electronic means, by directing your complaint to claims@difbroker.com by completing the Complaints Form, if you choose to email us, or at 211 201 599, if you choose to fax. If you are not satisfied with the response to your complaint, which should be answered within 15 days, you may be still file a complaint directly with:

• Securities Market Commission, CMVM: Laura Alves Street, No. 4, 1064-003 Lisbon, through the CMVM website - Investor Support Here.

• Lisbon Consumer Conflict Arbitration Center, personally - Rua dos Douradores, nº 116 - 2º, 1100-207 Lisbon;By Phone - Support Line +351 21 880 70 30; By email - juridico@centroarbitulholisboa.pt or director@centroarbitaduralisboa.pt; Online http://www.centroarbitulholisboa.pt/If you as a client or a prospective client of DIF Broker have raised a question or an issue with DIF Broker for instance with your account manager or another employee of DIF Broker without receiving a satisfactory answer, you may file a complaint with DIF Broker as per below. Attn: Complaints, DIF Broker, Sociedade Financeira de Corretagem, S.A. Rua António Cardoso, nº 613, loja 8, 4150-083 Porto, Portugal Or by e-mail to hdesk@dif.pt.

If you are not satisfied with the response to your complaint, which should answered within 15 working days, you may file a complaint directly either with:

- the Portuguese Securities Market Commission, CMVM:Rua Laura Alves, n.º4 , 1064-003 Lisboa; Online http://www.cmvm.pt/en/Investor_area/ApoioAoInvestidor/Reclamacoes/Pages/Complaints.aspx Arbitration Center of Consumer Conflicts of Lisbon, In person – Rua dos Douradores, nº 116 – 2º , 1100-207 Lisboa; By telephone - Support line +351 21 880 70 30; By email – juridico@centroarbitragemlisboa.pt or director@centroarbitragemlisboa.pt ;Online http://www.centroarbitragemlisboa.pt/

Other Relevant Information:

For more detailed information you may want to consider visit our webpage www.difbroker.