KEY INFORMATION DOCUMENT (IFI)
ABOUT CONTRACT FOR DIFFERENCE (CFD)

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

The Manufacturer of this PRIIP (**Packaged Retail and Insurance-based Investment Products**) is DIF Broker, Sociedade Financeira de Corretagem, S.A. ("DIF Broker"). Contact DIF Broker on +351 211 201 595 for more information. DIF Broker is under the supervision of the Portuguese Securities Market Commission, CMVM. This Key Information Document was published on 29th December 2017.

ALERT

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

What is this product?

Type – This is a 'Contract for Difference' ("CFD"). It allows you an indirect (also described as "synthetic") exposure to an underlying product or financial instrument (for example, to a security, commodity or index). You will have no direct interest in the underlying product/financial instrument. Accordingly, you can make gains or suffer losses as a result of price or value movements in relation to the underlying product or financial instrument to which you have the indirect exposure.

Objectives – The objective of trading a CFD is to gain exposure to movements related to a financial product, benchmark or instrument without owning it. Your return depends on the size of the performance (or movement) of the underlying instrument and the size of your position.

For example, if you believe the value of a Commodity, FX-pair, Bond or an Equity Index is going to increase, you would buy a number of CFD ("going long"), with the intention to later sell them when they are at a higher value. The difference between the buy price and your subsequent sell price would equate to your profit, minus any relevant costs (detailed below). If you think the value of an index is going to decrease, you would sell a number of CFD ("going short") at a specific value, expecting to later buy them back at a lower value than you previously agreed to sell them for, resulting in DIF Broker paying you the difference, minus any relevant costs (detailed below). However, if the underlying instrument moves in the opposite direction, and your position is closed, you would owe DIF Broker for the amount of loss you have incurred (together with any costs). This product is commonly traded on margin. Margin refers to the use of a small amount of capital to support an investment of a larger exposure. Please note that margin trading requires extra caution, because whilst you can realize large profits if the price moves in your favor, you risk extensive losses if the price moves against you.

Intended retail investor – Trading in this product will not be appropriate for everyone. The product would most commonly be utilized by persons who want to generally gain short term exposures to financial instruments/markets; are using (trading with) money which 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.

Term – CFD on Futures will expire each month and will be cash settled on the expiry date of the underlying future. Front month (current contract) and back month (following contract) will be offered to enable clients to manually roll positions from one contract to the next. The specific expiry date and time for individual CFD on Futures can be found in the trading platforms.

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

Risk Indicator

1	2	3	4	5	6	7

Lower risk ⟷ Higher risk

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 because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level. Be aware of currency risk. You may receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. In some circumstances, you may be required to make further payments to pay for losses. Trading risks are magnified by leverage – the total loss you may incur may significantly exceed the amount invested. Values may fluctuate significantly in times of high volatility or market/economic uncertainty; such swings are even more significant if your positions are leveraged and may also adversely affect your position. As a result, Margin calls may be made quickly or frequently~~,~~ and in the event of default, your positions may be closed out and any shortfall will be borne by you. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you.

Performance Scenarios

There are a number of types of trading risk, including leverage risk, which you should be aware of before beginning to trade. Factors that affect the performance of this product include but are not limited to:

- Leverage risk
- Foreign exchange risk
- Market risk
- Unregulated market risk
- Market disruption risk
- Counterparty risk
- Online trading platform and IT risk
- Conflicts of interest
- Applicable Tax/Fiscal procedures according to investor's typology and/or nature of capital gains / revenue

The investor may incur into bigger losses than the invested amount. Such losses are more pronounced in proportion to more significant price depreciation of the underlying assets, in the time lapse between the opening date and the closing date of the CFD on futures.
The investor may incur into unlimited gains. Such gains are more pronounced in proportion to more significant price appreciation of the underlying assets, in the time lapse between the opening date and the closing date of the CFD on futures.

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.

What are the costs?

Before you begin to trade CFD on 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 illustrate the different types of costs for CFD on Futures		
One-off costs	Spread	The difference between the Bid (Sell) and the Ask (Buy) price is called the spread.
	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 Expiring CFD overnight, 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	-	-

Other Relevant Information:

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

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

Recommended holding period: NO RECOMMENDED HOLD PERIOD

CFD on Futures has no recommended holding period. Provided that DIF Broker is open for trading you can enter and exit positions at any time. However, CFD on Futures will expire each month and will be cash settled on the expiry date of the underlying future.

How can I complain?

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, you may file a complaint directly either with:

- the Portuguese Securities Market Commission, CMVM:Investor Relations and Market Development Department (DRIM), In person - Rua Laura Alves, n.º4 , 1064-003 Lisboa, between 9h30 and 17h00; By telephone - Support line +351 800 205 339 between 9h30 and 17h00 (call is free of charge); By post Lisbon – 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.com