

KEY INFORMATION DOCUMENT (KID) ABOUT EXCHANGE TRADED PRODUCT (ETP)

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 an 'Exchange Traded Product' (ETP). You can make gains or suffer losses as a result of price or value movements in relation to the underlying products or financial instruments to which you have the indirect exposure, as explained below.

ETP (Exchange Traded Products), is the umbrella term used for 3 product subtypes with different characteristics.

ETF = Exchange Traded Funds

An Exchange Traded Fund is an investment fund that trades on a stock exchange as a single security. It is designed to track an underlying benchmark. ETF are open-ended, which means ETF shares can be created as necessary to meet demand. An ETF can track different asset types, i.e. Equities (incl. specific sectors or different regions or countries), Fixed Income, Commodities, Property, Volatility etc.

ETC = Exchange Traded Commodities

Exchange Traded Commodities are debt securities that pay no interest. They are designed to provide exposure to an individual commodity or a basket of commodities.

ETC are subject to different regulatory treatment to ETF, which allows them to offer investors exposure to a single or small number of commodities. ETC are often backed by either the physical asset or a derivative that gives exposure to an asset.

ETN = Exchange Traded Notes

ETN are non-interest bearing debt securities that are designed to track the return of an underlying benchmark or asset. ETN are generally issued by banks, hold no assets and are not collateralized. Apart from the fact that their yield references an underlying benchmark or asset, ETN are similar to unsecured, listed bonds.

As such, ETN are entirely reliant on the creditworthiness of the issuing entity. A change in that creditworthiness might negatively impact the value of the ETN, irrespective of the performance of the underlying benchmark or asset. In extreme circumstances, default by the issuer would leave the investor to claim as an unsecured creditor against the issuing entity.

Exchange Traded Products – comparison table

ETP subtype	ETF	ETC	ETN
Security type	Collective investment vehicle	Debt security	Debt security
Issuer credit risk	Limited	Limited	Yes
Governed by UCITS regulatory framework	Yes (within EU)	No	No

Besides the differences between the 3 ETP sub-types, it's important to note that some ETP are:

- leveraged, meaning that the issuer uses financial instruments or borrow money to increase the potential return of an investment,

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 ETP 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.dif.pt/web/pt_pt/pricing.

This table illustrate the different types of costs for ETP		
One-off costs	Commission	The fee charged for the service of carrying out the transaction.
	Minimum Commission	The minimum fee charged for the service of carrying out the transaction.
	Currency Conversion Fee	The fee charged for converting realized profit/loss from the instrument currency to the account currency.
On -Going costs	Custody Costs	If you hold a custody position opened after the market close, you will be subject to a Custody cost.
Incidental costs	-	-

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

Recommended holding period: NO RECOMMENDED HOLD PERIOD

ETP has no recommended holding period. Provided that DIF Broker is open for trading you can enter and exit positions at any time.

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