

# KEY INFORMATION DOCUMENT (KID) ABOUT ROLLING FX SPOT

## 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** – Rolling FX Spot is a contract where the profit it to be secured or loss avoided by reference to fluctuations in an underlying currency pair, such the Euro (EUR) against the U.S. Dollar (USD), referred to as EURUSD, for immediate delivery.

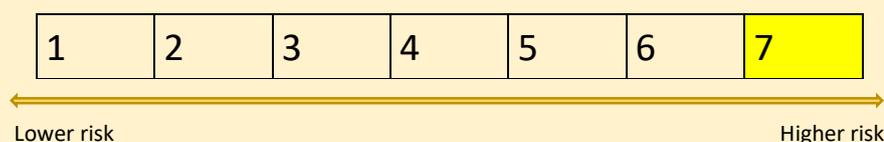
**Objectives** – The objective of trading Rolling FX Spot is to gain exposure to fluctuations related to the underlying currency pair without owning it. Your return depends on the size of the performance (or movement) of the underlying currency pair and the size of your position. This product is entered into for the purpose of speculation or hedging and 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** – Rolling FX Spot is an execution-only product and generally therefore has no recommended holding period. Rolling FX Spot trades do not settle. Instead, open positions held at the end of a trading day are rolled forward to the next available business day.

## 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 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 cross between the underlying currencies, in the time lapse between the opening date and the closing date of the Rolling FX Spot.

The investor may incur into unlimited gains. Such gains are more pronounced in proportion to more significant price appreciation of the cross between the underlying currencies, in the time lapse between the opening date and the closing date of the Rolling FX Spot.

## 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](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 Rolling FX Spot 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](http://www.difbroker.es/web/en_gb/pricing).

| Breakdown of possible costs associated with Rolling FX Spot |   |   |
|---|---|---|
| One-off costs   | Spread  | The difference between the bid (sell) price and the offer (buy) price. Spread is dependent on many different factors, including but not limited to, the underlying liquidity and volatility, time of day and notional trade size. |
|   | Commission  | The fee charged for the service of carrying out the transaction, subject to a minimum fee on small notional trade sizes.  |
|   | Profit/Loss Conversion<br>Currency                          | The fee charged for converting realized profit/loss from the instrument currency to the account currency.   |
| On - Going costs  | Tom/Next swap points<br>(Forward Price)                     | The swap points used are calculated using the tom/next swap feeds from Tier-1 banks, plus/minus a mark-up.  |
|   | Financing of unrealized profit/loss<br>(Financing Interest) | Any unrealized profit/loss that is rolled from one day to the next is subject to an interest credit or debit.   |
| Incidental costs  | -   | -   |

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

**Recommended holding period: NO RECOMMENDED HOLD PERIOD**

Rolling FX Spot 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](mailto: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](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](mailto:juridico@centroarbitragemlisboa.pt) or [director@centroarbitragemlisboa.pt](mailto: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](http://www.difbroker.com)