

KEY INFORMATION DOCUMENT

CFD ETPs

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 product is Saxo Bank A/S. Contact us on +45 3977 4000 for more information. Saxo Bank A/S is under the supervision of the Danish Financial Services Authority. This Key Information Document was published on 16th August 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 Exchange Traded Product (ETP). You will have no direct interest in the underlying ETP. 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.

ETPS (EXCHANGE TRADED PRODUCTS), IS THE UMBRELLA TERM USED FOR 3 PRODUCT SUBTYPES WITH DIFFERENT CHARACTERISTICS.

ETFs = 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. ETFs 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.

ETCs = Exchange Traded Commodities

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

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

ETNs = Exchange Traded Notes

ETNs are non-interest bearing debt securities that are designed to track the return of an underlying benchmark or asset. ETNs are generally issued by banks, hold no assets and are not collateralised. Apart from the fact that their yield references an underlying benchmark or asset, ETNs are similar to unsecured, listed bonds. As such, ETNs 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	Yes (within EU)	No	No

Besides the differences between the 3 ETP sub-types, it's important to note that some ETPs are leveraged, meaning that the issuer uses financial instruments or borrow money to increase the potential return of an investment. Also, some ETPs are inverse (often referred to as "Short" or "Bear"), meaning that they seek to track the inverted return of the underlying.

Visit home.saxo for further information in relation to the CFD on ETPs available.

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WHAT HAPPENS IF SAXO IS UNABLE TO PAY OUT?

Saxo Bank A/S is a fully accredited European Bank and is a member of The Guarantee Fund for Depositors and Investors (www.gii.dk); an institution established by the Danish parliament which is supervised by the Ministry of Finance and Business in Denmark. In the unlikely event that Saxo Bank is declared bankrupt, The Guarantee Fund covers cash deposits up to EUR 100,000. 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 Saxo Bank is unable to return the securities held in safe-custody, administered or managed, The Guarantee Fund as a rule covers losses of up to EUR 20,000 per investor. For more information you can visit the Danish Financial Supervisory Authority at www.finanstilsynet.dk.

If the person advising or selling to you is not Saxo Bank A/S directly please contact them directly.

WHAT ARE THE COSTS?

Before you begin to trade CFDs on ETPs you should familiarise 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](#).

THIS TABLE ILLUSTRATES THE DIFFERENT TYPES OF COSTS FOR CFDS ON ETPS

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 realised profit/loss from the instrument currency to the account currency.
Ongoing costs	Overnight Financing	If you hold a long or a short position open after the market close, you will be subject to an Overnight Financing charge.
	Borrowing costs (Short position only)	If you hold a short CFD ETP positions overnight you may be subject to a borrowing cost. The cost is dependent on the liquidity of the Stocks and may be zero (0) for high liquidity
Incidental costs	–	–

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

Recommended holding period: NO RECOMMENDED HOLDING PERIOD

CFDs on ETPs has no recommended holding period. Provided that Saxo 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 Saxo Bank A/S have raised a question or an issue with Saxo Bank A/S for instance with your account manager or another employee of Saxo Bank A/S without receiving a satisfactory answer you may file a complaint with Saxo Bank A/S as per below.

If the person advising or selling to you is not Saxo Bank A/S directly please contact them directly.
Attn: Complaints, Saxo Bank A/S, Philip Heymans Allé 15, 2900 Hellerup, Denmark.
Or by e-mail to complaints@saxobank.com

If you are not satisfied with the response to your complaint, you may file a complaint directly with The Danish Complaint Board of Banking Services: Pengeinstitutankenævnet, Amaliegade 8 B, 2. sal, Postboks 9029, DK-1022 København K, Denmark.
www.pengeinstitutankenævnet.dk