

ETD futures

Key Information Document (KID)

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, risks, costs, potential gains and losses of this product and to help you compare it with other products.

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

Product

PRIIP Name	Exchange Traded Derivative - Futures Contract
PRIIP Manufacturer	Exchange venue specific to the future traded.
Website	Contact details specific to the exchange venue.
Telephone	Contact details specific to the exchange venue.
Competent Authority	Authority specific to the exchange venue.
Date	29 December 2017

What is this product?

Type

Exchange Traded Derivative ("ETD") - Futures Contracts

Objective

A future contract is an exchange listed instrument that obligates the buyer to purchase an asset (or the seller to sell an asset) at a specified future date and price. Contract settlement may be physical or in cash. The contract gives exposure to the underlying asset. A long position benefits from rising underlying price. A short position benefits from falling underlying price.

Futures contracts are offered for trading on margin, which is an amount of money that must be deposited when a futures position is opened, and is also referred to as initial margin. Futures contracts are assigned a settlement price at the end of each trading day, and the gain or loss on a position is added to or subtracted from the deposited funds. The amount of margin held on deposit must be maintained at a minimum level set by the Exchange's clearing house, clearing firm or broker. If the amount of deposited funds is below the minimum maintenance margin, the client's position may be forcibly closed out.

Intended Retail Investor

This product is intended for investors, who are looking for directional trading, hedging, arbitrage or capital optimization. This is a leveraged product with unlimited losses, which requires a degree of knowledge and experience.

Insurance Benefits

None

Maturity

There is no predetermined investment holding period. The contract will expire according to its expiration date.

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

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 market.

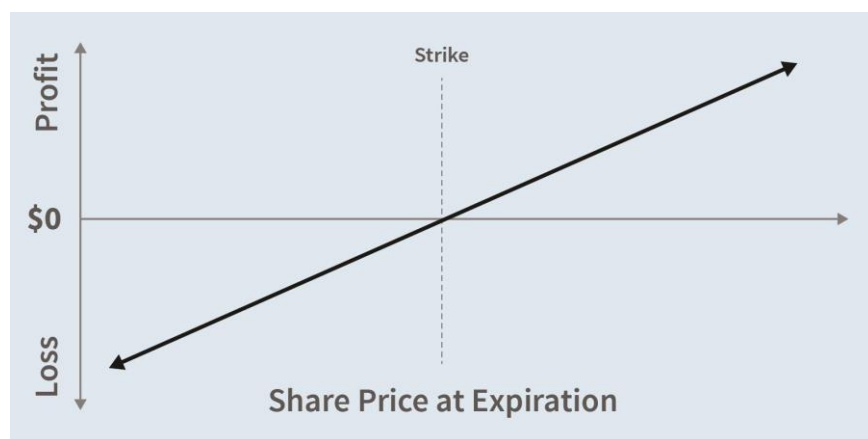
Risk Indicator



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. Futures are leveraged products, so initial costs account for only a small percentage of the contract's value. Be aware of currency risk. When you deal in a future that is denominated in a currency other than the base currency or a currency you have on a deposit in your account with us, all margins, profits, losses and financing credits and debits in relation to that future are calculated using the currency in which the future is denominated. This risk is not considered in the indicator shown above. In some circumstances, if your account does not contain enough equity to meet applicable margin requirements your open positions will be liquidated. The total loss you may incur may significantly exceed the amount invested. You may not be able to close your position easily or you may have to sell at a price that significantly impacts your realized profit/loss. Markets may fall overnight and we may not be able to close out your position at a price that would avoid losses greater than the margin originally deposited. This product does not include any protection from future market performance so you could lose more than you have invested.

Performance Scenarios

Futures Payoff Graph



This graph illustrates how your long futures investment could perform. You can compare it to the pay-off graphs of other derivatives. The graph presented gives a range of possible outcomes and is not an exact indication of what you might get back. What you get will vary depending on how the underlying will develop. For each value of the underlying, the graph shows what the profit or loss of the product would be. The horizontal axis shows the various possible prices of the underlying

value on the expiry date and the vertical axis shows the profit and loss. Buying this product holds that you think the underlying price will increase.

The maximum loss is unlimited. In the event of unfavourable movement in the underlying that exceeds your ability to fund the resulting margin requirement you may be forced to close this and other positions held in your trading account.

What happens if the PRIIP manufacturer is unable to pay out?

The PRIIP manufacturer is the relevant exchange or its clearing house. This is a client's risk.

What are the costs?

Specific to the futures contract.

Costs Over Time

Estimated Holding Period	An exchange traded derivative can be held unto the specified contract expiration date.
Investment	Margin requirement specific to the futures contract.
Notional Amount	Specific to the futures contract.
Total Costs	Specific to the futures contract.
Impact on Return	Specific to the futures contract.

Composition of Costs

The table below shows:

- The impact each year of the different types of costs.
- What the different cost categories mean.

This table shows the impact on return per year			
One-off costs	Entry costs	USD 1 – 70.00 per contract	For exact number check your brokerage tariffs. For clearing and settlement check the fees with the exchange and clearing house ¹ .
	Exit costs	USD 1 – 70.00 per contract	For exact number check your brokerage tariffs. For clearing and settlement check the fees with the exchange and clearing house ¹ .
Ongoing costs	Portfolio Transaction costs	0%	Not Applicable
	Other on-going costs	0%	Not Applicable
Incidental costs	Performance fees	0%	Not Applicable
	Carried interest	0%	Not Applicable

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

Recommended (required minimum) holding period: None

No recommended holding period is prescribed for these products. Optimal period depends on the strategy and risk profile. Expiration date is given in contract specification. Both parties can exit their positions prior to expiration. Contract can be rolled into the next month to extend the investment horizon.

How can I complain?

Complaints about the product, the conduct of the manufacturer should be addressed to the relevant manufacturer. Complaints about distribution or selling can be addressed to KIT Finance Europe office@kfe.ee or Roosikrantsi 11, 10119 Tallinn, Estonia.

Other relevant information

Contract specification and settlement information can be found on the exchange website and relevant rulebook chapter. More information about the KIT Finance Europe's position about Packaged Retail and Insurance-based Investment Products (PRIIPs) can be found on the official website www.kfe.ee.

¹ For detailed information on brokerage fees, please refer to the Tariffs of AS KIT Finance Europe, available on the website www.kfe.ee (<https://kfe.ee/en/documents/regulations-and-applications/>) or fees can be also found in the client's agreement.