Key Information Document

WesternUnion WU Business Solutions

Leveraged Accumulator

Purpose

This document provides you with key information about this 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.

Product Name	**Leveraged Accumulator**
Manufacturer	Western Union International Bank GmbH (WUIB)
Website	https://business.westernunion.com/en-ie/
Contact Information	1 800 832 771
Regulator	Austrian Financial Market Authority (Finanzmarktaufsicht)
Document Date	**05/02/2021**

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

What is this Product?

Type

An over-the-counter (OTC) foreign exchange derivative structure - Leveraged Accumulator

Description:

The Leveraged Accumulator is a Structured Option that works in much the same way as the non-leveraged variant, but with one important difference. If the EURUSD rate is trading at or beyond the Enhanced Rate at any given fixing, the buyer will accumulate an obligation to deal a Leveraged Amount at the Enhanced EURUSD Rate. This is done to further improve the Enhanced EURUSD Rate, or to push the Knock Out Rate further away from the current market price ensuring a greater amount of Accumulation is likely to be achieved. If the EURUSD rate is trading below the Enhanced Rate but above the Knock Out rate, the buyer accumulates the non-leveraged amount and, if the EURUSD rate is trading at or beyond the Knock Out rate, no amount is accumulated.

The Leveraged Accumulator is a pre-packaged product that is built using a series of Barrier Options. At the outset, the total notional amount, expiry date, Protection Rate, Knock Out rate delivery and fixing frequency will be agreed by you and WUIB. The fixings are usually daily, but can also be weekly, monthly or based on other customised terms. These fixing points can commence immediately after the Accumulator is entered into and run throughout its life, or can start at a future date. Deliveries can be weekly, monthly or at the expiry date only.
At each Fixing, the Spot Rate is referenced against the Knock Out Rate and the Protection Rate. If the Spot Rate is more favourable than the Knock Out Rate, the buyer will accumulate a forward position for the Fixing Amount at the Protection Rate for the next delivery date. If the Spot Rate is at or less favourable than the Knock Out Rate on any given Fixing, the buyer will not accumulate anything for that Fixing; however, if the Spot Rate is once again more favourable than the Knock Out Rate at a subsequent Fixing, an accumulation will again occur for the next delivery date. If, however, the spot rate is more favourable than the Protection Rate, the buyer accumulates the Leveraged Amount – usually twice the Fixing Amount – for the next delivery date.

Fixing Frequency:	**Daily**	**Delivery Frequency:**	**Monthly**
Max Amount per Fixing:	**EUR 39**	**Fixing Start Date:**	**1 month**
Enhanced Rate	**1.2455**	**Notional Amount**	**EUR 10,000**
		Leveraged Amount	**EUR 20,000**
Knock Out Barrier	**1.1257**	**Expiry**	**05/02/2022**

Intended Retail Investor

This product is only suitable for those corporate customers with a very high degree of experience of hedging currency risk. As the structure could terminate prior to expiry resulting in little or no protection, the buyer should be in a strong financial position and should also be employing other guaranteed hedge products as part of their overall hedging strategy.

Term

This Document assumes a term of 1 year, a typical duration for this structure type; however, the term of the contract will be agreed with you when entering into the deal. Once agreed, the buyer retains the right to request cancellation of the contract prior to expiry on demand, although this will incur a cost (see below). Western Union reserves the right to terminate the contract only in circumstances where the buyer is in breach of the contract terms, or becomes insolvent.

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

1	2	3	4	5	6	**7**

Lower Risk ←→ Higher Risk

The risk indicator assumes you keep the product for 12 months. The actual risk can vary significantly if you end your product at an early stage and you may get back less.
You may not be able to end your product early. You may have to pay significant extra costs to end your product early.

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 market performance at a very high level, and poor market conditions are very likely to impact the capacity to pay you.

This product does not include any protection from future market performance so you could lose some or all of your investment.

In some circumstances you may be required to make payments to pay for losses. The total loss you may incur may significantly exceed the amount invested.

If we are not able to pay you what is owed, you could incur significant losses

Nominal Amount	EUR 10,000	
Scenarios		12 months (Recommended Holding Period)
Stress Scenario	**What you might get back or pay after costs**	EUR -1,911
	Percentage return/loss over nominal amount	-19%
Unfavourable Scenario	**What you might get back or pay after costs**	EUR -637
	Percentage return/loss over nominal amount	-6%
Moderate Scenario	**What you might get back or pay after costs**	EUR 1,566
	Percentage return/loss over nominal amount	16%
Favourable Scenario	**What you might get back or pay after costs**	EUR 1,347
	Percentage return/loss over nominal amount	13%

The table shows the money you could get back or pay over the next 12 months (Recommended Holding Period), under different scenarios, assuming a nominal value of EUR 10,000.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios for other products.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this product varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product

This product cannot be easily ended. This means it is difficult to estimate how much you would get if you end before the end of the recommended holding period. You will either be unable to end early or you will have to pay high costs or make a large loss if you do so.

The figures shown include all thecosts of the product itself and includes the costs of your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What Happens If Western Union International Bank GmbH is unable to pay out?

As counterparty to your product you are relying upon WUIB’s financial ability to fulfil its obligations to you upon maturity of the contract. This means that if WUIB is unable to pay out, you may not receive any amount at maturity of this contract. To aid in your assessment of this risk WUIB will provide you with a copy of its latest audited financial statements upon request. You may request a copy of our most recent financial statements by emailing us at options@westernunion.com.

What are the costs?

The Reduction In Yield (RIY) shows what impact the total costs you pay will have on the performance of the product. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for the recommended holding period. They include potential early exit penalties. The figures assume a nominal value of EUR 10,000. The figures are estimates and may change in the future.

Costs over time

Nominal Amount	EUR 10,000	If you end after the Recommended Holding Period
Total Costs		EUR 45
Impact on Return (RIY)		**0.45%**

Composition of Costs

The table below shows:
- The impact on return per year of the different types of costs on the performance of the product at the end of the recommended holding period
- The meaning of the different cost categories

This table shows the impact on return over the recommmneded holding period			
One-Off Costs	Entry Costs	0.45%	The Impact of the costs already included in the price.
	Exit Costs	n/a	The impact of the costs of exiting your product when it matures
Ongoing Costs	Portfolio Transaction Costs per year	n/a	The impact of costs of us buying and selling underlying investments for the product
	Other ongoing costs	n/a	The impact of costs that we take each year for managing your products and the costs presented in Section II

Entry Costs include a cost of credit which is determined by our assessment of your credit worthiness. This assessment will lead to an internal rating from A to D with the lowest credit charges for A rated customer. The above costs assume a rating of D.

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

Recommended holding period **12 months**

The recommended holding period is the duration of the OTC product as agreed in the individual contract. For this product, a holding period of 12 months is quite common and so has been used as the example; however, if you buy this option the duration should match your underlying cash flow requirements. There is no minimum holding period per se, but the product performs better when held for at least 12 months and the maximum is 24 months.

In general, the option should be held until the maturity date; however, it can be ended early at your request.

Depending on the market value of the product there may be a gain or loss to you at the point of ending the product.

How can I complain?

We have established procedures and policies to ensure that any complaint you may have is properly considered and appropriate measures are taken to address any issues. If you have a complaint, you can raise it with us by: (i) email at: wubsireland@westernunion.com); or (ii) telephone at 1800 832 771; or (iii) by post to us at our Main Office Address : Western Union International Bank GmbH, Beschwerdemanagement, The Icon Vienna (Turm 24), Wiedner Gürtel 13, 1100, Vienna, Austria.

Any complaint you make will be handled in accordance with our complaints handling procedures, copies of which are available from your Corporate Hedging Manager or on our website:

https://business.westernunion.com/en-ie/compliance-legal/file-a-complaint

Other Relevant Information

Further information on this product, as well as the others that we offer are available in our Product Disclosure Statement. This can be obtained by calling us on 1800 832 771 or may be downloaded from our website:

https://business.westernunion.com/en-ie/compliance-legal/compliance