

## Leveraged Knock Out Convertible

### 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 Knock Out Convertible
Manufacturer	Western Union International Bank GmbH (WUIB)
Website	<a href="https://business.westernunion.com/en-ie/">https://business.westernunion.com/en-ie/</a>
Contact Information	1 800 832 771
Regulator	<a href="#">Austrian Financial Market Authority (Finanzmarktaufsicht)</a>
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 Knock Out Convertible

**Description:** The Leveraged Knock Out Convertible is a Structured Option that works in the same way as the non-leveraged version, in that you have a fixed rate at the outset providing protection against unfavourable movements in the Spot Rate. Should the knock out rate be observed, your obligation to deal at the Protection Rate will cease to exist, although your protection will remain. This means you then have unlimited participation in any favourable movements thereafter, The main difference is the amount that you will be obliged to deal if the knock out rate is not observed and the Spot Rate remains more favourable than your Protection Rate at expiry. In order to achieve a more favourable protection rate or a knock out rate that is more likely to be observed, you will be obliged to deal the leveraged amount at the protection rate in this instance.

A Leveraged Knock Out – Convertible is structured by entering into two concurrent options. In the first you buy a Put Option from WUIB, giving you the right, but no obligation to deal the Protected Amount of currency to WUIB at the Protection Rate on the Expiry Date. In the second, you sell a Call Option to WUIB, also at the Protection Rate with a Knock Out barrier. This option will oblige you to deal the Leveraged Amount of currency with WUIB at the Protection rate, should the underlying Spot Rate exceed that level at expiry; however, this potential obligation will cease to exist if the underlying Spot Rate trades at or beyond a barrier at the Knock Out Rate prior to the Expiry Date.

Where applicable, a Window Barrier can only be triggered during a specified period of time, rather than throughout the life of the contract, while an At Expiry barrier can only be triggered at the expiry time on the expiry date

Protection Rate	1.3810	Protected Amount	EUR 10,000
		Leveraged Amount	EUR 20,000
Knock Out Barrier	1.3389	Expiry	05/02/2022

**Intended Retail Investor** This product is suitable only for those corporate customers who have a higher degree of experience of hedging currency risk. As the potential obligation exceeds the amount protected, the buyer should also be in a strong financial situation and/or make use of other, less volatile hedging products in addition to this.

**Term** This Document assumes a term of 6 months, 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?**



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	<b>What you might get back or pay after costs</b>	EUR -2,938
	Percentage return/loss over nominal amount	-29%
Unfavourable Scenario	<b>What you might get back or pay after costs</b>	EUR -979
	Percentage return/loss over nominal amount	-10%
Moderate Scenario	<b>What you might get back or pay after costs</b>	EUR 594
	Percentage return/loss over nominal amount	6%
Favourable Scenario	<b>What you might get back or pay after costs</b>	EUR 1,105
	Percentage return/loss over nominal amount	11%

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 the costs 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](mailto:options@westernunion.com).

