Foreign Exchange Options Product Disclosure Statement

Western Union Business Solutions (Australia) Pty Limited

Issue Date: 26 May 2021

WesternUnion WU | Business Solutions

FOREIGN EXCHANGE OPTIONS

PRODUCT DISCLOSURE STATEMENT

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1. Purpose

This Product Disclosure Statement ("**PDS**") is dated 26 May 2021.

This PDS contains information about Vanilla Options and combinations of two or more Call Options and/or Put Options that create a Structured Option (individually and collectively, "**Options**"). Western Union Business Solutions (Australia) Pty Limited (ABN 24 150 129 749) (AFSL 404 092) (referred to in this document as "**Western Union Business Solutions**", "**WUBS**", "**we**", "**our**" and "**us**") is providing you with this PDS so that you receive important information about Options including their benefits, risks and costs.

The purpose of this PDS is to provide you with sufficient information for you to determine whether certain Options meet your needs. This PDS will also allow you to compare the features of other products that you may be considering.

Please read this PDS carefully before purchasing an Option. In the event that you enter into an Option with us, you should keep a copy of this PDS along with any associated documentation for future reference.

The information set out in this PDS has been prepared without taking into account your objectives, financial situation or needs. Before making any decision about the Options offered under this PDS, you should consider whether it is appropriate, having regard to your own objectives, financial situation and needs. This PDS does not constitute financial advice or a financial recommendation.

You should read all of this PDS, the Financial Services Guide (FSG), our Terms and Conditions, and our "Foreign Exchange and Drafts Transactions" product disclosure statement dated 25 September 2020 located on our compliance webpage as set out in section 2.1 of this PDS before making a decision to enter into any Options offered under this PDS. We recommend that you contact us if you have any questions arising from this PDS, or the Terms and Conditions, prior to entering into any transactions with us.

Options may be suitable for you if you have a high level of understanding and accept the risks involved in investing in financial products involving foreign exchange and related markets.

Some Structured Options described in this PDS have features which result in either Enhanced Rates in one or more of the Exchange Rate variables through the application of a Leverage Ratio or the potential loss of protection from a Trigger Rate event or a combination of both. This increases the risks of these financial products compared to standard Options.

If you are not confident about your understanding of the Options (described in detail in section 6 of this PDS) or foreign exchange and related markets, we strongly suggest you obtain independent advice before making a decision about engaging with these products.

Consideration should be given to all the potential outcomes of specific Options and strategies before entering into any Options described in this PDS. We encourage you to obtain independent financial advice which takes into account the particular reasons you are considering entering into Options from WUBS.

Independent taxation and accounting advice should also be obtained in relation to the impact of possible foreign exchange gains and losses in light of your particular financial situation.

The distribution of this PDS and the offer, sale or purchase of Options offered under this PDS may be restricted by law in certain jurisdictions. WUBS does not represent that this PDS may be lawfully distributed, or that any Options may be lawfully offered or purchased, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution, offering or purchase. In particular, no action has been taken by WUBS which would permit a public offering of any Options or the distribution of this PDS in any jurisdiction where action for that purpose is required.

Accordingly, no Options may be offered, bought or sold, directly or indirectly, and neither this PDS nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this PDS or any Options offered or purchased under this PDS come, must inform themselves about, and observe any such restrictions.

This PDS and the Options described in this PDS have not been and will not be registered under the U.S. Securities Act of 1933, as amended or any US state or other securities laws. Accordingly, the Options offered in this PDS may not be granted to or taken up by, and the Options may not be offered or sold to, any person that is in the United States or that is, or is acting for the account or benefit of, a US person.

If you have any questions or require more information, please contact WUBS on 1300 732 561 (Australia only), or +61 2 8585 7000 or by email: corphedgingAPAC@westernunion.com or refer to our website www.business.westernunion.com.au

2. Important Information

2.1 Copies

Copies of this PDS are available free of charge. You can download a copy of this PDS from http://business.westernunion.com.au/about/Compliance-Legal/ or request a copy by either email at corphedgingAPAC@westernunion.com or by phone 1300 732 561 (Australia Only).

This PDS replaces the "Vanilla Options - Customer Buys" product disclosure statement and the "Vanilla Options - Customer Sells" product disclosure statement issued by WUBS and dated 4 March 2020, as well as the "Structured Options" product disclosure statement and the "Enhanced Structured Options" product disclosure statement, issued by WUBS and dated 28 June 2019.

2.2 Updates relating to this PDS

The information in this PDS is subject to change. WUBS will issue a supplementary or replacement PDS where new information arises that is materially adverse to the information in this PDS. Where new information arises that is not materially adverse to the information in this PDS, WUBS will post such updated information on our website located at the WUBS compliance webpage as set out in section 2.1 above.

You may request a copy of this information from your WUBS Representative or by contacting WUBS using the contact details in section 3.1 "WUBS Contact Details" of this PDS.

If we issue a supplementary or new PDS, we will notify you by posting the supplementary PDS or new PDS on our website. Alternatively, we may notify you by sending a written notice, at least five (5) days prior to the effective date of the supplementary PDS or new PDS (which contains a link to the supplementary PDS or new PDS) to your email address as notified to us by you.

2.3 WUBS Products

A separate product disclosure statement is available for "Foreign Exchange and Drafts Transactions". Please contact us if you require a copy of this product disclosure statement using the contact information contained in section 3.1 "WUBS Contact Details" of this PDS or download from our website located on the Compliance & Legal webpage as set out in section 2.1 above.

2.4 Financial Amounts

All financial amounts expressed in this PDS are in Australian Dollars (AUD) unless otherwise stated.

2.5 Glossary of Terms

Certain capitalised words used in this PDS have defined meanings. These meanings can be located in section 16 "Glossary of Terms" of this PDS.

2.6 Counterparty Credit Risk

When you enter into an Option with WUBS, you are exposed to Counterparty credit risk against WUBS. That is, you have the risk that WUBS will not meet its obligations to you under the relevant Option, including for example for certain Options, having a Premium paid to you. To assess our financial ability to meet our obligations to you, you can obtain a copy of our financial statements, free of charge by emailing: corphedgingAPAC@westernunion.com

2.7 Disclaimer

Any information that is provided in this PDS does not take account of your financial situation, objectives or needs. Because of this, before you act on it, you should consider its appropriateness having regard to your own objectives, financial situations or needs.

WUBS does not take into account labour standards or environmental, social or ethical considerations other than as required by law.

3. Issuer

Western Union Business Solutions (Australia) Pty Limited doing business as Western Union Business Solutions is the Issuer of the Options described in this PDS.

This PDS was prepared by:

Western Union Business Solutions (Australia) Pty Limited

ABN 24 150 129 749

AFSL Number 404 092

3.1 WUBS Contact Details

Address: Level 12, 1 Margaret Street, Sydney, NSW, 2000 Australia

Phone: +61 2 8585 7000 or 1300 732 561 (Australia Only).

Email: corphedgingAPAC@westernunion.com

Website: http://business.westernunion.com.au

3.2 WUBS Services

WUBS is a specialist provider in foreign exchange and international payments products and services. We work with individuals and companies of all sizes, to create solutions that assist their business payments and foreign exchange process challenges to manage risk and costs.

3.3 How to Access WUBS Services

After agreeing to our Terms and Conditions and after your application has been approved by us, you will have access to our Options and will be able to provide us Instructions by:

- Phone - where you can call us and speak to a WUBS Representative and provide us with Instructions to transact your currency needs; or
- Email - where you can email us to provide your account details and Instructions.

3.4 Additional Information

Our website provides additional information that may be useful including information about currency transactions and payment solutions, a resource centre and information relating to our company history. You must note that any information in this PDS or on our website does not take into account your personal financial circumstances and needs.

4. Foreign Exchange Overview

Foreign exchange refers to the purchase of one currency and the sale of another currency at an agreed Exchange Rate simultaneously. Separate from the Exchange Rate, you will need to consider the relevant fees associated with your transaction. Our fees for Options are described in section 8 "Cost of an Option" of this PDS.

4.1 The Foreign Exchange Market

Options are not entered into on an authorised exchange such as a stock market. There is no official benchmark Exchange Rate for Options. The foreign exchange market is referred to as an "**Over-The-Counter (OTC)**" market, which means that Exchange Rates will often vary when compared between providers.

Exchange Rates are quoted on the Interbank Market, which is a wholesale market for Authorised Exchange Dealers, with Interbank Exchange Rates fluctuating according to supply and demand. This market is restricted to Authorised Exchange Dealers and banks that constantly quote to each other at wholesale Exchange Rates and in minimum parcel sizes.

Factors that influence supply and demand (and therefore the Exchange Rate quoted to you) include:

- investment inflows/outflows;
- market sentiment or expectations;
- economic and political influences including geopolitical influence; and
- import/export of goods and services.

Exchange Rates quoted in the media generally refer to Interbank Exchange Rates and will usually differ from Exchange Rates quoted to you.

Because Options are traded OTC with WUBS you will not be able to sell or transfer your transaction with another provider. You will only be able to reverse or cancel your Option with WUBS.

4.2 Currency Limitations

While WUBS endeavours to ensure that you are provided with access to the Currency Pair of your choice, WUBS does not guarantee that it will offer Options in all Currency Pairs. This may arise for a number of reasons including restrictions that are imposed on WUBS or WUBS not having access to certain currencies through its Correspondent Banks.

5. Types of Options

5.1 What is a Vanilla Option?

A Vanilla Option is an agreement between two parties, that gives "the buyer" the right but not the obligation to exchange an agreed Notional Amount (Amount) of one currency for an amount of another currency at an agreed Exchange Rate on an agreed date in the future (Expiry Date or Expiry). A Vanilla Option may be a Put Option (a right to sell currency) or a Call Option (a right to buy currency).

When you buy a Vanilla Option from WUBS, you will be required to pay a non-refundable Premium (see section 8.2 of this PDS) for the Vanilla Option on the Premium Payment Date. By buying a Vanilla Option you have the right but not the obligation to Exercise the Vanilla Option, and you will not have to effect Settlement of the Vanilla Option if you elect not to Exercise. A Vanilla Option allows you to protect against a worst-case Exchange Rate. It allows you to hedge your currency exposure by providing protection against unfavourable currency movements between the time that you buy a Vanilla Option and the Expiry Date. At the same time, you are also able to participate in any favourable currency movements that exist up to the Expiry Date.

When you sell a Vanilla Option to WUBS, you will receive a Premium for the Vanilla Option. By selling a Vanilla Option to WUBS, you grant WUBS as the buyer, the right, but not the obligation, to buy from you an agreed Notional Amount of one currency for another currency at an agreed price (the Strike Rate) on the specified Expiry Date. If you sell a Vanilla Option to WUBS you will not be protected against unfavourable currency movements between the time that you sell a Vanilla Option and the Expiry Date.

WUBS only offers "European" style Vanilla Options. This means that the buyer may only Exercise the Vanilla Option on the Expiry Date, unless otherwise agreed by WUBS in writing.

5.1.1 Exercising a Vanilla Option

To Exercise a Vanilla Option, the buyer will inform the seller of its intention to Exercise on the Expiry Date by issuing an Exercise Notice by phone or electronic mail (email), pursuant to which:

- the seller will be obligated and must accept the Exercise Notice; and
- the seller will be required to deliver the currency to the buyer at the Strike Rate two (2) Business Days after the Expiry Date.

If the Vanilla Option is In-The-Money (ITM) with respect to the buyer (i.e. the prevailing Exchange Rate is less favourable than the Strike Rate), we will Exercise the Vanilla Option even without providing to you or receiving from you an Exercise Notice.

If a Vanilla Option is not Exercised, it will lapse at the Expiry Time.

5.1.2 Terminating or Closing a Vanilla Option

You may ask us to close a Vanilla Option at any time up to the Expiry Time on the Expiry Date. WUBS will provide you with a quote for the cost of such cancellation. These costs may be significant. WUBS's quote will be based on the cost of reversing or offsetting your Vanilla Option at the time of your request. The same variables that are relevant to the determination of the Premium will be relevant to determining this cost. These are set out in section 8.2 "Cost of an Option" below.

If you accept the quote, the Vanilla Option will be terminated and you may lose money as a result.

5.2 What is a Structured Option?

A Structured Option describes a group of foreign exchange products that have been developed as foreign exchange risk management alternatives to Forward Exchange Contracts and Vanilla Options.

A Structured Option is an agreement to exchange a specified amount of one currency for another currency at an Exchange Rate that is determined by reference to agreed mechanisms within each particular Structured Options product.

A Structured Option is created through the concurrent sale and purchase of two or more Call Options and/or Put Options. A Call Option is an agreement that gives the buyer the right (but not the obligation) to buy a currency at a specified price at a specified time. A Put Option is an agreement that gives the buyer the right (but not the obligation) to sell a currency at a specified price at a specified time. In any structure you may be both 'the buyer' of an option (i.e. you are buying an option from WUBS) and 'the seller' of an option (i.e. you are selling an option to WUBS). Notwithstanding the use of these terms WUBS is always the Issuer of the Options product.

5.3 Option Trigger Events

Depending on the Option that is issued by WUBS, there may be certain conditions attached to one or more of the Put Options or Call Options that are triggered if an agreed Exchange Rate trades in the spot foreign exchange market during the term of the Option. We refer to these as Trigger Rates. A Trigger Rate may be either a Knock-In Rate or a Knock-Out Rate. A Knock-In Rate is an Exchange Rate that must be traded at or beyond in the spot foreign exchange market for the buyer's right pursuant to a Call Option or a Put Option to become effective (i.e. the Call Option or Put Option is contingent on the Knock-In Rate being triggered). A Knock-Out Rate is an Exchange Rate that if traded at or beyond in the spot foreign exchange market will result in the buyer's right pursuant to a Call Option or Put Option terminating (i.e. the Call Option or Put Option terminates if the Knock-Out Rate is triggered).

Our default position is that where a Trigger Rate is applicable it will apply for the term of the Option. It is possible however to apply a shorter term to the Trigger Rate. We refer to these shorter terms as Windows.

Typical trigger Windows include "last month" (where the Trigger Rate is only effective in the last month of the Option), "last week" (where the Trigger Rate is only effective in the last week of the Option), "last day" (where the Trigger Rate is only effective on the last day of the Option), and "at Expiry" (where the Trigger Rate is only effective at the Expiry Time on the Expiry Date of the Option).

You can ask WUBS to provide you with a Window at any time before you enter into an Option. If a Window is nominated the Spot Rate, which is the Exchange Rate for a foreign exchange transaction with a Settlement date of up to two (2) Business Days, it may trade at or beyond the Trigger Rate before the trigger is live without you being knocked-in or knocked-out. The Spot Rate will only be compared to the Trigger Rate during the Window. By choosing a Window, the Trigger Rate may be less favourable to you than if there were no Window in place. The Protection Rate or Strike Rate (as the case may be), which is the agreed worst case Exchange Rate that applies to an Option, may also be less favourable to you than if there were no Window in place. These rates may be less favourable the shorter the period of the Window. The addition of a Knock-In Rate or a Knock-Out Rate to a Vanilla Option results in the Premium being reduced relative to a comparable Vanilla Option without a trigger.

5.4 Leverage Ratios

If agreeable to WUBS, certain Structured Options may have a Leverage Ratio applied to it. This is known as a Leveraged Structured Option and allows for an Enhanced Rate and/or more favourable variables to be obtained, which is typically more favourable than the equivalent Forward Exchange Rate or comparable Structured Option (without a Leverage Ratio).

With an Enhanced Rate, there are additional risks associated with a Leveraged Structured Option as compared to a Structured Option without a Leverage Ratio. When a Leverage Ratio is used, these potential additional risks are added to the already existing risks of a Structured Option without a Leverage Ratio.

6. WUBS Options

Set out below is a description of each of the Options products that we provide. In particular, the risks of each Option are described, together with any specific risks associated with a Leveraged Structured Option (if applicable).

The examples that are used within the description of each Option product in this section 6 are for illustrative purposes only and use Exchange Rates and figures that we have selected to demonstrate how each product works from the perspective of Australian based importers buying USD and selling AUD. WUBS will provide Australian based exporter examples of the requested Option upon request.

The Exchange Rates and figures used in the examples do not necessarily reflect the specific circumstances that may arise under the Options entered into by you. In order to assess the merits of any particular Option you should use the actual rates and figures quoted at the relevant time.

When you enter into an Option with WUBS you nominate and WUBS must communicate acceptability of:

- the strategy – type of Option(s);
- the Currency Pair;
- the Notional Amount (Amount);
- the Leverage Ratio (if applicable);
- the Strike Rate (Protection Rate, Participation Rate etc, as applicable);
- the Premium Payment Date (if applicable);
- any Trigger Rates (Knock-In Rates or Knock-Out Rates);
- any Windows and applicable start and end dates; and
- the Expiry Date and Expiry Time.

6.1 Vanilla Option – Client Buys

A Vanilla Option is an agreement between two parties (in this case, with you as the "buyer" of the Vanilla Option and WUBS as the "seller" that gives you the right but not the obligation to exchange a Notional Amount (Amount) of one currency for an amount of another currency at an agreed Strike Rate on the Expiry Date. A Vanilla Option may be a Put Option (a right to sell currency) or a Call Option (a right to buy currency).

When you buy a Vanilla Option from WUBS, it enables you to hedge your currency exposure by providing protection against unfavourable currency movements between the time that you buy a Vanilla Option and the Expiry Date. At the same time, you are also able to participate in any favourable currency movements that exist up to the Expiry Date. When you buy a Vanilla Option, you will be required to pay a non-refundable Premium on the Premium Payment Date. Because you have bought the right but not the obligation to Exercise the Vanilla Option, you will not have to effect Settlement of the Vanilla Option if you elect not to Exercise.

6.1.1 Vanilla Option - Client Buys Example

Currency Pair: AUD/USD
Vanilla Option Type: AUD Put Option / USD Call Option
Strike Rate: 0.7500
Notional Amount (Amount): USD100,000
Expiry Date: 3 Months
Premium: AUD2,000

6.1.2 Possible Outcomes at Expiry

- If the Spot Rate is more favourable than 0.7500, (say 0.7900), the importer will let the AUD Put Option lapse and may buy USD at the Spot Rate (although there is no obligation to do so).
- If the Spot Rate is less favourable than 0.7500, (say 0.7100), the importer will buy USD100,000 at 0.7500.

6.1.3 Benefits of a Vanilla Option

- A Vanilla Option bought from WUBS provides protection against unfavourable movements in the Spot Rate during the term of the Vanilla Option.
- Vanilla Options are flexible, where the Strike Rate, Expiry Date and Notional Amount can be tailored to your needs.
- Unless you Exercise your Vanilla Option, you are not committed to exchange currencies on the Expiry Date. Consequently, you are able to participate in favourable Exchange Rate movements.

6.1.4 Risks of a Vanilla Option – Client Buys

- As the buyer of the Vanilla Option, you must pay a non-refundable Premium.
- As further set out in the paragraph "Risks of Options" outlined in section 10 of this PDS.

6.1.5 Costs of a Vanilla Option – Client Buys

When you buy a Vanilla Option from WUBS, you will be required to pay WUBS a non-refundable Premium, in cleared funds, on the Premium Payment Date. The Premium Payment Date is normally within two (2) Business Days of the **Trade Date** or can be deferred to a date in the future, as agreed by WUBS.

The Confirmation will specify the Premium Payment Date agreed to by WUBS. When payment of the Premium is deferred, it is still payable. WUBS will accept Premium payments in either Australian Dollars or one of the currencies in the Vanilla Option Currency Pair.

6.2 Vanilla Option – Client Buys with Trigger Rates

If you buy a Vanilla Option from WUBS (as described in section 6.1 of this PDS), you can have certain Trigger Rates (a Knock-In Rate or a Knock-Out Rate) attached to the Vanilla Option that are triggered if an agreed Spot Rate trades during the term of the Vanilla Option (or during a Window). This may create a protection that may not otherwise exist (in the case of a Knock-In trigger event) or result in the Vanilla Option ceasing to exist (in the case of a Knock-Out trigger event).

6.2(a) Vanilla Option Knock-In - Client Buys Example	6.2(b) Vanilla Option Knock-Out -Client Buys Example
Currency Pair: AUD/USD Vanilla Type: AUD Put Option / USD Call Option with Knock-In Rate Strike Rate: 0.7500 Knock-In Rate or Trigger Rate: 0.8200 Notional Amount (Amount): USD100,000 Expiry Date: 3 Months Premium: AUD1,500	Currency Pair: AUD/USD Vanilla Type: AUD Put Option / USD Call Option with Knock-Out Rate Strike Rate: 0.7500 Knock-Out Rate or Trigger Rate: 0.7000 Notional Amount (Amount): USD100,000 Expiry Date: 3 Months Premium: AUD1,800
6.2(a).1 Possible Outcomes at Expiry	**6.2(b).1 Possible Outcomes at Expiry**
If the Knock-In Rate (0.8200) has been triggered prior to the Expiry Date: • If the Spot Rate is more favourable than the Strike Rate (0.7500), say 0.8000, the Option will lapse, and the importer may buy USD at 0.8000 (although there is no obligation to do so). • If the Spot Rate is less favourable than the Strike Rate (0.7500), say 0.7200, the importer will buy USD100,000 at the Strike Rate of 0.7500. If the Knock-In Rate (0.8200) has not been triggered the Option will lapse at the Expiry Time and there is no obligation on either party.	If the Knock-Out Rate (0.7000) has not been triggered prior to the Expiry Date: • If the Spot Rate is more favourable than the Strike Rate (0.7500), say 0.8000, the Option will lapse, and the importer may buy USD at 0.8000 (although there is no obligation to do so). • If the Spot Rate is less favourable than the Strike Rate (0.7500), say 0.7200, the importer will buy USD100,000 at the Strike Rate (0.7500). If the Knock-Out Rate (0.7000) has been triggered the Vanilla Option will cease to exist.

6.2.1 Benefits of a Vanilla Option - Client Buys with Trigger Rates

- As further set out in the paragraph “Benefits of a Vanilla Option” outlined in section 6.1.3 of this PDS.
- The Premium will be cheaper as compared to a Vanilla Option without a Trigger Rate.
- Vanilla Options with Trigger Rates are flexible, where the Strike Rate, Trigger Rates, Expiry Date and Notional Amount can be tailored to your needs.

6.2.2 Risks of a Vanilla Option - Client Buys with Trigger Rates

- As further set out in the paragraph “Risks of a Vanilla Option - Client Buys” outlined in section 6.1.4 of this PDS.
- As further set out in the paragraph “Risks of Options” outlined in section 10 of this PDS.
- Trigger Rate risk: For Vanilla Options that have a Trigger Rate, there is the risk that the Vanilla Option may not exist at Expiry because a Trigger Rate has been triggered (in the case of a Knock-Out Rate) or not triggered (in the case of a Knock-In Rate). There is the additional risk that you could lose your level of protection if your Vanilla Option ceases to exist due to a Knock-Out Rate being triggered or a Knock-In Rate not being triggered.

6.2.3 Costs of a Vanilla Option with Trigger Rates

- As further set out in the paragraph “Costs of a Vanilla Option” outlined in section 6.1.5 of this PDS.

Please note that, prior to WUBS agreeing to enter into any of the products described in sections 6.3 and 6.4 below, we will require you to complete a "Vanilla Options Declaration" form, acknowledging that you have received, read, and understood this PDS due to specific risks with these products relative to other derivative or financial products. These risks are set out in sections 6.3.4 and 6.4.2 of this PDS.

6.3 Vanilla Option – Client Sells

A Vanilla Option is an agreement between two parties (in this case, with WUBS as "the buyer" of the Vanilla Option and you as "the seller" of the Vanilla Option) that gives WUBS the right but not the obligation to exchange an amount of one currency for an amount of another currency at an agreed Exchange Rate on the Expiry Date.

When you sell a Vanilla Option to WUBS, you will receive a Premium for the Vanilla Option. By selling a Vanilla Option to WUBS, you grant WUBS as the buyer, the right, but not the obligation, to buy from you an agreed amount of one currency for another currency at the Strike Rate on the Expiry Date, and when compared to the Spot Rate this will be unfavourable to you.

6.3.1 Vanilla Option - Client Sells Example

Currency Pair: AUD/USD
Vanilla Type: AUD Call Option / USD Put Option
Strike Rate: 0.7600
Notional Amount (Amount): USD100,000
Expiry Date: 3 Months
Client Receives Premium: AUD2,700

6.3.2 Possible Outcomes at Expiry

- If the Spot Rate is less favourable to the importer than 0.7600, say 0.7500, WUBS would allow the Vanilla Option to lapse with no obligation on either party.
- If the Spot Rate is more favourable to the importer than 0.7600, say 0.7700, WUBS will Exercise the Vanilla Option and the importer will be obligated to buy USD100,000 at the less favourable Strike Rate of 0.7600.

6.3.3 Benefits of a Vanilla Option – Client Sells

- The Premium is paid to you upfront.
- The Premium to be received is known at the time the Vanilla Option is entered into.
- The Premium received can be used to offset a potentially unfavourable move in Exchange Rates.

6.3.4 Risks of a Vanilla Option – Client Sells

- As further set out in the paragraph "Risks of Options" outlined in section 10 of this PDS.
- The sale of a Vanilla Option to WUBS is not designed to provide protection against an unfavourable movement in the relevant currency. If the Spot Rate on the Expiry Date is more favourable to you than the Strike Rate, WUBS will Exercise the Vanilla Option and you will be obligated to exchange currencies at the less favourable Strike Rate.
- The Premium received by you is designed to be used to potentially offset any potential unfavourable moves in the Spot Rate that may occur. However, the Premium received may not be enough to offset the total impact of the unfavourable Spot Rate on the Expiry Date.
- If WUBS exercises the Vanilla Option, you are obligated to deliver your currency to WUBS at the Strike Rate, which will be at an Exchange Rate that is unfavourable to you.

6.4 Vanilla Option – Client Sells with Trigger Rates

If you sell a Vanilla Option to WUBS (as described in section 6.3 in this PDS), you can have certain Trigger Rates (a Knock-In Rate or a Knock-Out Rate) attached to the Vanilla Option. This may be triggered if an agreed Spot Rate trades before the Expiry Date (or during a Window). This may create an obligation or potential obligation that may not otherwise exist, that will be unfavourable to you (in the case of a Knock-In trigger event) or result in the Vanilla Option not ceasing to exist, creating an obligation or potential obligation at the Strike Rate that is unfavourable to you (in the case of no Knock-Out trigger event).

6.4(a) Vanilla Knock-In - Client Sells Example

Currency Pair: AUD/USD
Vanilla Type: AUD Call Option / USD Put Option with Knock-In Rate
Strike Rate: 0.7600
Knock-In Rate or Trigger Rate: 0.7900
Notional Amount (Amount): USD100,000
Expiry Date: 3 Months
Client Receives Premium: AUD1,700

6.4(a).1 Possible Outcomes at Expiry

If the Knock-In Rate (0.7900) has been triggered prior to the Expiry Date:

- If the Spot Rate is less favourable to the importer than 0.7600, say 0.7500, WUBS would allow the Vanilla Option to lapse with no obligation on the importer.
- If the Spot Rate is more favourable to the importer than 0.7600, say, 0.7800, the importer will be obligated to buy USD100,000 at the less favourable Strike Rate of 0.7600.

If the Knock-In Rate (0.7900) has not been triggered the Vanilla Option lapses with no obligation on either party.

6.4(b) Vanilla Knock-Out - Client Sells Example

Currency Pair: AUD/USD
Vanilla Type: AUD Call Option / USD Put Option with Knock-Out Rate
Strike Rate: 0.7600
Knock-Out Rate or Trigger Rate: 0.7300
Notional Amount (Amount): USD100,000
Expiry Date: 3 Months
Client Receives Premium: AUD2,700

6.4(b).1 Possible Outcomes at Expiry

If the Knock-Out Rate (0.7300) has not been triggered prior to the Expiry Date:

- If the Spot Rate is less favourable to the importer than 0.7600, say, 0.7500, WUBS would allow the Vanilla Option to lapse with no obligation on the importer.
- If the Spot Rate is more favourable to the importer than 0.7600, say 0.7800, the importer will be obligated to buy USD100,000 at the less favourable Strike Rate of 0.7600.

If the Knock-Out Rate (0.7300) has been triggered, the Vanilla Option will cease to exist.

6.4.1 Benefits of a Vanilla Option - Client Sells with Trigger Rates

- As further set out in the paragraph “Benefits of a Vanilla Option - Client Sells” outlined in section 6.3.3 of this PDS.
- Vanilla Options are flexible, where the Strike Rate, Trigger Rates, Expiry Date and Notional Amount can be tailored to your needs.

6.4.2 Risks of a Vanilla Option - Client Sells with Trigger Rates

- As further set out in the paragraph “Risks of a Vanilla Option - Client Sells” outlined in section 6.3.4 of this PDS.
- As further set out in the paragraph “Risks of Options” outlined in section 10 of this PDS.
- Trigger Rate risk: For Vanilla Options – Client Sells with a Trigger Rate, there is the risk that there is an unfavourable trigger event or that a favourable trigger event does not occur.
- A Vanilla Option – Client Sells may come into existence as the result of a Knock-In Rate being triggered, creating an obligation that is unfavourable to you.
- A Vanilla Option – Client Sells may not cease to exist as the result of a Knock-Out Rate not being triggered, creating an obligation that is unfavourable to you.

6.5 Participating Forward

A Participating Forward is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated worst-case Exchange Rate (the Protection Rate). It also gives you the ability to participate in favourable movements in the Spot Rate by allowing you to potentially transact a portion of your Notional Amount at a favourable Spot Rate at Expiry.

6.5.1 Participating Forward Example

Protection Rate/Strike Rate: 0.7550
Expiry Date: 6 months
Notional Amount (Amount): USD100,000
Obligation Percentage: 50%

6.5.2 Possible Outcomes at Expiry

- If the Spot Rate is less favourable than the Protection Rate (0.7550), say 0.7200, the importer will buy USD100,000 at 0.7550.
- If the Spot Rate is more favourable than the Protection Rate (0.7550), say 0.7800, the importer will be obligated to buy USD50,000 (USD100,000 x 50%) at 0.7550 and can buy the remaining USD50,000 at 0.7800 (although there is no obligation to do so).

6.5.3 Benefits of a Participating Forward

- There is protection at all times with a known worst-case Exchange Rate (Protection Rate).
- An ability to partially participate in favourable Exchange Rate movements.
- Flexibility in terms of the Obligation Percentage you can choose.

6.5.4 Risks of a Participating Forward

- The Protection Rate will be less favourable than the Exchange Rate applicable to a comparable FEC.
- If the Spot Rate at Expiry is more favourable than the Protection Rate you will be obligated to trade a proportion of your Notional Amount at the less favourable Protection Rate.

6.6 Accelerator

An Accelerator is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated worst-case Exchange Rate (the Protection Rate). It also gives you the ability to participate in favourable movements in the Spot Rate by allowing you to potentially transact a portion of your Notional Amount at a favourable Spot Rate at Expiry. The Protection Rate can also be improved if the Spot Rate is more favourable than the Limit Rate at Expiry.

6.6.1 Accelerator Example

Protection Rate/Strike Rate: 0.7475
Limit Rate/Strike Rate: 0.8100
Expiry Date: 6 months
Notional Amount (Amount): USD100,000
Obligation Percentage: 50%
Limit Amount: USD50,000

6.6.2 Possible Outcomes at Expiry

- If the Spot Rate is less favourable than the Protection Rate (0.7475) the importer can buy USD100,000 at 0.7475.
- If the Spot Rate is between the Protection Rate (0.7475) and the Limit Rate (0.8100), say 0.7850, the importer will be obligated to buy USD50,000 (Notional Amount multiplied by the Obligation Percentage) at 0.7475 and can buy the remaining USD at the Spot Rate (although there is no obligation to do so).
- If the Spot Rate is more favourable than the Limit Rate (0.8100), say 0.8300, the importer is obligated to buy USD50,000 at an adjusted Protection Rate of 0.7645, as calculated by WUBS (which has been favourably adjusted to account for the difference between the Limit Rate and the Spot Rate). Alternatively, if the importer elects to cash settle the difference (between the Spot Rate and the Limit Rate), they will be obligated to buy USD50,000 at 0.7475. The importer may also buy the remaining USD50,000 at the Spot Rate (although there is no obligation to do so).

6.6.3 Benefits of an Accelerator

- Protection at all times with a known worst-case Protection Rate.
- An ability to partially participate in favourable Exchange Rate movements.
- An ability to improve the Protection Rate if the Spot Rate is more favourable than the Limit Rate at Expiry.

6.6.4 Risks of an Accelerator

- The unadjusted Protection Rate will be less favourable than the Exchange Rate applicable to a comparable FEC.
- If the Spot Rate at Expiry is more favourable than the Protection Rate you will be obligated to trade at the Protection Rate for a percentage of the Notional Amount.
- Improvement to the Protection Rate due to favourable Spot Rate movements will only reflect the favourable difference between the Spot Rate and the Limit Rate.

6.7 Collar and Leveraged Collar
A Collar is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated worst-case Exchange Rate (the Protection Rate). It also gives you the ability to participate in favourable movements in the Spot Rate between the Protection Rate and the Participation Rate at Expiry.

6.7.1 Collar Example	**6.7.1(a) Leveraged Collar Example**
Protection Rate/Strike Rate: 0.7200 Participation Rate/Strike Rate: 0.7950 Expiry Date: 6 months Notional Amount (Amount): USD100,000	Protection Rate/Strike Rate: 0.7300 Participation Rate/Strike Rate: 0.7950 Expiry Date: 6 months Notional Amount (Amount): USD50,000 Leverage Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.7.2 Possible Outcomes at Expiry	**6.7.2(a) Possible Outcomes at Expiry**
• If the Spot Rate is less favourable than the Protection Rate (0.7200), say 0.7000, the importer will be able to buy USD100,000 at 0.7200. • If the Spot Rate is more favourable than the Participation Rate (0.7950), say 0.8100, the importer will be obligated to buy USD100,000 at 0.7950. • If the Spot Rate is between the Protection Rate (0.7200) and the Participation Rate (0.7950), say 0.7600, the importer will be able buy USD100,000 at 0.7600 (although there is no obligation to do so).	• If the Spot Rate is less favourable than the Protection Rate (0.7300), say 0.7000, the importer will be able to buy USD50,000 at 0.7300. • If the Spot Rate is more favourable than the Participation Rate (0.7950), say 0.8100, the importer will be obligated to buy USD100,000 at 0.7950. • If the Spot Rate is between the Protection Rate (0.7300) and the Participation Rate (0.7950), say 0.7600, the importer will be able to buy USD at 0.7600 (although there is no obligation to do so).
6.7.3 Benefits of a Collar	**6.7.3(a) Additional Benefits of a Leveraged Collar**
• There is protection at all times with a known worst-case Exchange Rate (Protection Rate). • An ability to participate in favourable Exchange Rate movements to the level of Participation Rate.	• An ability to achieve more favourable Protection Rate and/or Participation Rate compared to a Collar with a non-Leverage Ratio structure.
6.7.4 Risks of a Collar	**6.7.4(a) Additional Risks of a Leveraged Collar**
• The Protection Rate will be less favourable than the comparable Forward Exchange Contract (FEC). • Participation in favourable Exchange Rate movements is capped at the Participation Rate. • If the Spot Rate at Expiry is more favourable than the Participation Rate you will be obligated to trade at the less favourable Participation Rate.	• If the Spot Rate at Expiry is less favourable than the Protection Rate you will be protected for only the Notional Amount. • If the Spot Rate at Expiry is more favourable than the Participation Rate you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Participation Rate. • Due to the Leverage Ratio, there may be less protection compared to a Collar with no Leverage Ratio, FEC and other Structured Options without a Leverage Ratio.

6.8 Participating Collar and Leveraged Participating Collar	
A Participating Collar is a Structured Option, which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated worst-case Exchange Rate (the Protection Rate). It also gives you the ability to participate in favourable movements in the Spot Rate on a portion of your exposure between the Protection Rate and the Participation Rate at Expiry.	
6.8.1 Participating Collar Example	**6.8.1(a) Leveraged Participating Collar Example**
Protection Rate/Strike Rate: 0.7600 Participation Rate/Strike Rate: 0.7950 Expiry Date: 6 months Notional Amount (Amount): USD100,000 Obligation Percentage: 50%	Protection Rate/Strike Rate: 0.7600 Participation Rate/Strike Rate: 0.8000 Expiry Date: 6 months Notional Amount (Amount): USD50,000 Obligation Percentage 50% Leverage Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.8.2 Possible Outcomes at Expiry	**6.8.2(a) Possible Outcomes at Expiry**
• If the Spot Rate is less favourable than the Protection Rate (0.7600), say 0.7200, the importer will buy USD100,000 at 0.7600. • If the Spot Rate is between the Protection Rate (0.7600), and the Participation Rate (0.7950), say 0.7800, the importer will be obligated to buy USD50,000 at 0.7600. The importer will then be able to buy the remaining USD at 0.7800 (although there is no obligation to do so). • If the Spot Rate is more favourable than the Participation Rate (0.7950), say 0.8200, the importer will be obligated to buy USD50,000 at 0.7600 and USD50,000 at 0.7950.	• If the Spot Rate is less favourable than the Protection Rate (0.7600), say 0.7200, the importer will buy USD50,000 at 0.7600. • If the Spot Rate is between the Protection Rate (0.7600), and the Participation Rate (0.8000), say 0.7800, the importer will be obligated to buy USD25,000 at 0.7600. The importer may buy the remaining USD at 0.7800 (although there is no obligation to do so). • If the Spot Rate is more favourable than the Participation Rate (0.8000), say 0.8200, the importer will be obligated to buy USD25,000 at 0.7600 and USD75,000 at 0.8000.
6.8.3 Benefits of a Participating Collar	**6.8.3(a) Additional Benefits of Leveraged Participating Collar**
• There is protection at all times at the Protection Rate. • The Protection Rate is likely to be more favourable than the Protection Rate applicable to comparable Participating Forward and Collar products. • An ability to partially participate in favourable Exchange Rate movements up to the level of the Participation Rate.	• The Protection Rate and/or Participation Rate is more favourable than the Protection Rate and/or Participation Rate applicable to a comparable Participating Collar without a Leverage Ratio.
6.8.4 Risks of a Participating Collar	**6.8.4(a) Additional Risks of a Leveraged Participating Collar**
• The Protection Rate will be less favourable than the comparable FEC. • If the Spot Rate at Expiry is more favourable than the Protection Rate you will be obligated to trade a portion of the Notional Amount at the less favourable Protection Rate. • If the Spot Rate on the Expiry Date is more favourable than the Participation Rate you will be obligated to trade a second amount, determined by the Obligation Percentage, at the less favourable Participation Rate.	• If the Spot Rate is more favourable than the Participation Rate you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Participation Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.9 Knock-In and Leveraged Knock-In

A Knock-In is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than the Protection Rate whilst giving you the potential to take advantage of favourable currency movements to the level of a Knock-In Rate. If the Knock-In Rate is triggered at any time before Expiry (or during a Window) you will be obligated to transact at the Protection Rate on Expiry. A Leveraged Knock-In offers an enhanced Protection Rate and/or Knock-In Rate relative to the Knock-In.

6.9.1 Knock-In Example	6.9.1(a) Leveraged Knock-In Example
Protection Rate/Strike Rate: 0.7600 Knock-In Rate/Trigger Rate: 0.8025 Expiry Date: 6 months Notional Amount (Amount): USD100,000	Protection Rate/Strike Rate: 0.7700 Knock-In Rate/ Trigger Rate: 0.8025 Expiry Date: 6 months Notional Amount (Amount): USD 50,000 Leverage Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.9.2 Possible Outcomes at Expiry	**6.9.2(a) Possible Outcomes at Expiry**
• If the Spot Rate is less favourable than the Protection Rate (0.7600), say 0.7200, the importer will buy USD100,000 at 0.7600. • If the Spot Rate is more favourable than the Protection Rate (0.7600), say 0.7900, and the Knock-In Rate has not been triggered, the importer will be able to buy USD at 0.7900 (although there is no obligation to do so). • If the Spot Rate is more favourable than the Protection Rate (0.7600), say 0.7900, and the Knock-In Rate has been triggered, the importer will be obligated to buy USD100,000 at 0.7600.	• If the Spot Rate is less favourable than the Protection Rate (0.7700), say 0.7200, the importer will buy USD50,000 at 0.7700. • If the Spot Rate is more favourable than the Protection Rate (0.7700), say 0.7900, and the Knock-In Rate has not been triggered, the importer will be able to buy USD at 0.7900 (although there is no obligation to do so). • If the Spot Rate is more favourable than the Protection Rate (0.7700), say 0.7900, and the Knock-In Rate has been triggered, the importer will be obligated to buy USD100,000 at 0.7700.
6.9.3 Benefits of a Knock-In	**6.9.3(a) Additional Benefits of a Leveraged Knock-In**
• Protection at all times with a known worst-case Exchange Rate (Protection Rate). • An ability to participate in favourable Exchange Rate movements, provided the Knock-In Rate has not been triggered.	• An ability to achieve an enhanced Protection Rate comparative to a Knock-In without a Leverage Ratio.
6.9.4 Risks of a Knock-In	**6.9.4(a) Additional Risks of a Leveraged Knock-In**
• Participation in favourable Exchange Rate movements is capped at the Knock-In Rate. • The Protection Rate will be less favourable than the comparable FEC. • If the Spot Rate triggers the Knock-In Rate you will be obligated to trade at the Protection Rate, which may be less favourable than the Spot Rate at Expiry.	• If the Knock-In Rate is triggered and the Spot Rate is more favourable than the Protection Rate at Expiry, you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Protection Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.10 Knock-In Participator and Leveraged Knock-In Participator	
A Knock-In Participator is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated Exchange Rate (the Protection Rate). It also gives you the ability to participate in favourable movements in the Spot Rate on a percentage of your Notional Amount provided that a Knock-In Rate is not triggered at any time before Expiry (or during a Window).	
6.10.1 Knock-In Participator Example	**6.10.1(a) Leveraged Knock-In Participator Example**
Protection Rate/Strike Rate: 0.7625 Knock-In Rate/Trigger Rate: 0.8075 Expiry Date: 6 months Notional Amount (Amount): USD100,000 Obligation Percentage: 50%	Protection Rate/Strike Rate: 0.7700 Knock-In Rate/Trigger Rate: 0.8125 Expiry Date: 6 months Notional Amount (Amount): USD 50,000 Obligation Percentage 50% Leverage Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.10.2 Possible Outcomes at Expiry	**6.10.2(a) Possible Outcomes at Expiry**
• If the Spot Rate is less favourable than the Protection Rate (0.7625), say 0.7200, the importer will buy USD100,000 at 0.7625. • If the Spot Rate is more favourable than the Protection Rate (0.7625), say 0.7800, and the Knock-In Rate has not been triggered, the importer will be obligated to buy USD 50,000 at 0.7625. The importer will then be able to buy the remaining USD at 0.7800 (although there is no obligation to do so). • If the Spot Rate is more favourable than the Protection Rate (0.7625), say 0.8000, and the Knock-In Rate has been triggered, the importer will buy USD100,000 at 0.7625.	• If the Spot Rate is less favourable than the Protection Rate (0.7700), say 0.7200, the importer will buy USD50,000 at 0.7700. • If the Spot Rate is more favourable than the Protection Rate (0.7700), say 0.7800, and the Knock-In Rate has not been triggered, the importer will be obligated to buy USD25,000 at 0.7700. The importer will then be able to buy the remaining USD at 0.7800 (although there is no obligation to do so). • If the Spot Rate is more favourable than the Protection Rate (0.7700), say 0.8000, and the Knock-In Rate has been triggered, the importer will be obligated to buy USD100,000 at 0.7700.
6.10.3 Benefits of a Knock-In Participator	**6.10.3(a) Additional Benefits of a Leveraged Knock-In Participator**
• Protection at all times with a known worse-case Exchange Rate (Protection Rate). • An ability to partially participate in favourable Exchange Rate movements, provided the Knock-In Rate has not been triggered. • The Protection Rate and/or the Obligation Percentage are more favourable than the those of a comparable Participating Forward.	• An ability to achieve an enhanced Protection Rate and/or Obligation Percentage relative to a comparable Knock-In Participating Forward without a Leverage Ratio.
6.10.4 Risks of a Knock-In Participator	**6.10.4(a) Additional Risks of a Leveraged Knock-In Participator**
• The Protection Rate will be less favourable than a comparable FEC even when applying the Knock-In Rate. • If the Spot Rate at Expiry is more favourable than the Protection Rate, a percentage of the Notional Amount, the Obligation Percentage, must be transacted at the less favourable Protection Rate. • If the Spot Rate triggers the Knock-In Rate before Expiry (or during a Window) and the Spot Rate is more favourable than the Protection Rate you will be obligated to trade the full Notional Amount at the less favourable Protection Rate.	• If the Knock-In Rate has been triggered and the Spot Rate is more favourable than the Protection Rate at Expiry you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Protection Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.11 Knock-Out Convertible and Leveraged Knock-Out Convertible	
A Knock-Out Convertible is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated Exchange Rate (the Protection Rate). It also gives you the ability to participate in favourable movements in the Spot Rate provided that a Knock-Out Rate is triggered before Expiry (or during a Window).	
6.11.1 Knock-Out Convertible Example	**6.11.1(a) Leveraged Knock-Out Convertible**
Protection Rate/Strike Rate: 0.7575 Knock-Out Rate/Trigger Rate: 0.7575 Expiry Date: 6 months Notional Amount (Amount): USD100,000	Protection Rate/Strike Rate: 0.7650 Knock-Out Rate/Trigger Rate: 0.7650 Expiry Date: 6 months Notional Amount (Amount): USD50,000 Leverage Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.11.2 Possible Outcomes at Expiry	**6.11.2(a) Possible Outcomes at Expiry**
• If the Spot Rate is less favourable than the Protection Rate (0.7575), say 0.7200, the importer will buy USD100,000 at 0.7575. If the Knock-Out Rate has not been triggered: • If the Spot Rate is more favourable than the Protection Rate (0.7575), say 0.7800, the importer will be obligated to buy USD100,000 at 0.7575. If the Knock-Out Rate has been triggered: • If the Spot Rate is more favourable than the Protection Rate (0.7575), say 0.7800, the importer may buy USD at 0.7800 (although there is no obligation to do so).	• If the Spot Rate is less favourable than the Protection Rate (0.7650), say 0.7200, the importer will buy USD50,000 at 0.7650. If the Knock-Out Rate has not been triggered: • If the Spot Rate is more favourable than the Protection Rate (0.7650), say 0.7800, the importer will be obligated to buy USD100,000 at 0.7650. If the Knock-Out Rate has been triggered: • If the Spot Rate is more favourable than the Protection Rate (0.7650), say 0.7800, the importer may buy USD at 0.7800 (although there is no obligation to do so).
6.11.3 Benefits of a Knock-Out Convertible	**6.11.3(a) Additional Benefits of a Leveraged Knock-Out Convertible**
• Protection at all times with a known worst-case Exchange Rate (Protection Rate). • An ability to participate in favourable Exchange Rate movements if the Knock-Out Rate is triggered.	• An ability to achieve an enhanced Protection Rate relative to a comparable Knock-Out Convertible without a Leverage Ratio.
6.11.4 Risks of a Knock-Out Convertible	**6.11.4(a) Additional Risks of a Leveraged Knock-Out Convertible**
• The Protection Rate will be less favourable than the comparable FEC. • There is no ability to participate in favourable Exchange Rate movements if the Knock-Out Rate is not triggered.	• If the Knock-Out Rate has not been triggered and the Spot Rate is more favourable than the Protection Rate at Expiry, you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Protection Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.12 Participating Knock-Out Convertible and Leveraged Participating Knock-Out Convertible

A Participating Knock-Out Convertible is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated Exchange Rate (the Protection Rate). It also gives you the ability to participate in favourable movements in the Spot Rate on a percentage of your Notional Amount provided that a Knock-Out Rate has been triggered before Expiry (or during a Window).

6.12.1 Participating Knock-Out Convertible Example	**6.12.1(a) Leveraged Participating Knock-Out Convertible Example**
Protection Rate/Strike Rate: 0.7625 Knock-Out Rate/Trigger Rate: 0.7625 Expiry Date: 6 months Notional Amount (Amount): USD100,000 Obligation Percentage: 50%	Protection Rate/Strike Rate: 0.7650 Knock-Out Rate/Trigger Rate: 0.7650 Expiry Date: 6 months Notional Amount (Amount): USD50,000 Obligation Percentage: 50% Leverage Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.12.2 Possible Outcomes at Expiry	**6.12.2(a) Possible Outcomes at Expiry**
• If the Spot Rate is less favourable than the Protection Rate (0.7625), say 0.7200, the importer will buy USD100,000 at 0.7625. If the Knock-Out Rate has not been triggered: • If the Spot Rate is more favourable than the Protection Rate (0.7625), say 0.7800, the importer will be obligated to buy USD100,000 at 0.7625. If the Knock-Out Rate has been triggered: • If the Spot Rate is more favourable than the Protection Rate (0.7625), say 0.7800, the importer will be obligated to buy USD50,000 at 0.7625. The importer may also buy the remaining USD50,000 at 0.7800 (although there is no obligation to do so).	• If the Spot Rate is less favourable than the Protection Rate (0.7650), say 0.7200, the importer will buy USD50,000 at 0.7650. If the Knock-Out Rate has not been triggered: • If the Spot Rate is more favourable than the Protection Rate (0.7650), say 0.7800, the importer will be obligated to buy USD100,000 at 0.7650. If the Knock-Out Rate has been triggered: • If the Spot Rate is more favourable than the Protection Rate (0.7650), say 0.7800, the importer will be obligated to buy USD25,000 at 0.7650. The Importer may also buy the remaining USD75,000 at 0.7800 (although there is no obligation to do so).
6.12.3 Benefits of a Participating Knock-Out Convertible	**6.12.3(a) Additional Benefits of Leveraged Participating Knock-Out Convertible**
• Protection at all times with a known worst-case Exchange Rate (Protection Rate). • An ability to participate in favourable Exchange Rate movements on a percentage of the Notional Amount if the Knock-Out Rate is triggered. • The Protection Rate and/or the Obligation Percentage are more favourable relative to a comparable Participating Forward.	• The Protection Rate and/or the Obligation Percentage are more favourable relative to a comparable Participating Knock-Out Convertible without a Leverage Ratio.
6.12.4 Risks of a Participating Knock-Out Convertible	**6.12.4(a) Additional Risks of Leveraged Participating Knock-Out Convertible**
• The Protection Rate will be less favourable than the comparable FEC. • There is no ability to participate in favourable Exchange Rate movements if the Knock-Out Rate is not triggered. • If the Knock-Out Rate is not triggered and the Spot Rate at Expiry is more favourable than the Protection Rate you will be obligated to trade at the less favourable Protection Rate. • If the Knock-Out Rate is triggered and the Spot Rate at Expiry is more favourable than the Protection Rate you will be obligated to trade the Obligation Percentage of the Notional Amount at the less favourable Protection Rate.	• If the Knock-Out Rate has not been triggered and the Spot Rate is more favourable than the Protection Rate at Expiry and you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Protection Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.13 Knock-In Collar and Leveraged Knock-In Collar	
A Knock-In Collar is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated Exchange Rate (the Protection Rate) whilst giving you the potential to take advantage of favourable currency movements to the level of a Knock-In Rate. If the Knock-In Rate is triggered before Expiry (or during a Window) you are knocked into a Collar structure (see section 6.7 of this PDS).	
6.13.1 Knock-In Collar Example	**6.13.1(a) Leveraged Knock-In Collar Example**
Protection Rate /Strike Rate: 0.7500 Participation Rate /Strike Rate: 0.7750 Knock-In Rate /Trigger Rate: 0.8000 Expiry Date: 6 months Notional Amount (Amount): USD100,000	Protection Rate /Strike Rate: 0.7550 Participation Rate /Strike Rate: 0.7850 Knock-In Rate /Trigger Rate: 0.8000 Expiry Date: 6 months Notional Amount (Amount): USD50,000 Leverage Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.13.2 Possible Outcomes at Expiry	**6.13.2(a) Possible Outcomes at Expiry**
If the Knock-In Rate has not been triggered: • If the Spot Rate is less favourable than the Protection Rate (0.7500), say 0.7200, the importer will buy USD100,000 at 0.7500. • If the Spot Rate is between the Protection Rate (0.7500) and the Knock-In Rate (0.8000), say 0.7950, the importer can buy USD at 0.7950 (although there is no obligation to do so). If the Knock-In Rate has been triggered: • If the Spot Rate is less favourable than the Protection Rate (0.7500), say 0.7200, the importer will buy USD100,000 at 0.7500. • If the Spot Rate is between the Protection Rate (0.7500) and the Participation Rate (0.7750), say 0.7600, the importer can buy USD at 0.7600 (although there is no obligation to do so). • If the Spot Rate is more favourable than the Participation Rate (0.7750), say 0.7950, the importer will be obligated to buy USD100,000 at 0.7750.	If the Knock-In Rate has not been triggered: • If the Spot Rate is less favourable than the Protection Rate (0.7550), say 0.7200, the importer will buy USD 50,000 at 0.7550. • If the Spot Rate is between the Protection Rate (0.7550) and the Knock-In Rate (0.8000), say 0.7950, the importer can buy USD at 0.7950 (although there is no obligation to do so). If the Knock-In Rate has been triggered: • If the Spot Rate is less favourable than the Protection Rate (0.7550), say 0.7200, the importer will buy USD 50,000 at 0.7550. • If the Spot Rate is between the Protection Rate (0.7550) and the Participation Rate (0.7850), say 0.7600, the importer can buy USD at 0.7600 (although there is no obligation to do so). • If the Spot Rate is more favourable than the Participation Rate (0.7850), say 0.7950, the importer will be obligated to buy USD100,000 at 0.7850.
6.13.3 Benefits of a Knock-In Collar	**6.13.3(a) Additional Benefits of a Leveraged Knock-In Collar**
• Protection at all times with a known worst-case Exchange Rate (Protection Rate). • An ability to participate in favourable Exchange Rate movements, provided the Knock-In Rate is not triggered. • If the Knock-In Rate has been triggered, participation in favourable movements to the Participation Rate remains possible.	• An ability to achieve an enhanced Protection Rate and/or Participation Rate relative to a comparable Knock-In Collar without a Leverage Ratio.
6.13.4 Risks of a Knock-In Collar	**6.13.4(a) Additional Risks of a Leveraged Knock-In Collar**
• Participation in favourable Exchange Rate movements is capped at Participation Rate if the Knock-In Rate is triggered. • The Protection Rate will be less favourable than the comparable FEC. • You will be obligated to trade at the Participation Rate if the Spot Rate triggers the Knock-In Rate before expiry (or during a Window).	• If the Knock-In Rate has been triggered, you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the Participation Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.14 Knock-In Convertible and Leveraged Knock-In Convertible
A Knock-In Convertible is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated Exchange Rate (the Protection Rate) whilst giving you the potential to take advantage of favourable currency movements to the level of a Knock-In Rate. If the Knock-In Rate is triggered before Expiry (or during a Window), you will be obligated to trade at the Protection Rate on Expiry unless a Knock-Out Rate has also been triggered. If the Knock-Out Rate is triggered, you are left with a Vanilla Option giving you the right but no obligation to trade at the Protection Rate. See section 6.1 for information on Vanilla Options.

6.14.1 Knock-In Convertible Example	6.14.1(a) Leveraged Knock-In Convertible Example
Protection Rate /Strike Rate: 0.7600 Knock-In Rate/Trigger Rate: 0.8000 Knock-Out Rate/Trigger Rate: 0.7200 Expiry Date: 6 months Notional Amount (Amount): USD100,000	Protection Rate/Strike Rate: 0.7700 Knock-In Rate/Trigger Rate: 0.8000 Knock-Out Rate/Trigger Rate: 0.7200 Expiry Date: 6 months Notional Amount (Amount): USD50,000 Leverage Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.14.2. Possible Outcomes at Expiry	**6.14.2(a) Possible Outcomes at Expiry**
• If the Spot Rate is less favourable than the Protection Rate (0.7600), say 0.7300, the importer will buy USD100,000 at 0.7600, regardless of whether the Knock-In Rate or Knock-Out Rate has been triggered. • If the Spot Rate is more favourable than the Protection Rate (0.7600), say 0.7900, and the Knock-In Rate has not been triggered, the importer will be able to buy USD at 0.7900 (although there is no obligation to do so). • If the Spot Rate is more favourable than the Protection Rate (0.7600), say 0.8100, and the Knock-In Rate has been triggered, the importer will be obligated to buy USD100,000 at 0.7600. • If the Spot Rate is more favourable than the Protection Rate (0.7600), say 0.8100, and the Knock-Out Rate (0.7200) has been triggered, the importer will be able to buy USD at 0.8100 (although there is no obligation to do so).	• If the Spot Rate is less favourable than the Protection Rate (0.7700), say 0.7300, the importer will buy USD50,000 at 0.7700, regardless of whether the Knock-In Rate or Knock-Out Rate has been triggered. • If the Spot Rate is more favourable than the Protection Rate (0.7700), say 0.7900, and the Knock-In Rate has not been triggered, the importer will be able to buy USD at 0.7900 (although there is no obligation to do so). • If the Spot Rate is more favourable than the Protection Rate (0.7700), say 0.8100, and the Knock-In Rate has been triggered, the importer will be obligated to buy USD100,000 at 0.7700. • If the Spot Rate is more favourable than the Protection Rate (0.7700), say 0.8100, and the Knock-Out Rate (0.7200) has been triggered, the importer will be able to buy USD at 0.8100 (although there is no obligation to do so).
6.14.3 Benefits of a Knock-In Convertible	**6.14.3(a) Additional Benefits of a Leveraged Knock-In Convertible**
• Protection at all times with a known worse-case Exchange Rate (Protection Rate). • An ability to participate in favourable Exchange Rate movements, provided the Knock-In Rate is not triggered. • If the Knock-Out Rate has been triggered, then participation in favourable movements is possible to any level.	• An ability to achieve an enhanced Protection Rate relative to a comparable Knock-In Convertible without Leverage Ratio.
6.14.4 Risks of a Knock-In Convertible	**6.14.4(a) Additional Risks of a Leveraged Knock-In Convertible**
• The Protection Rate will be less favourable than the comparable FEC. • There is no ability to participate in favourable Exchange Rate movements if only the Knock-In Rate is triggered.	• If the Knock-In Rate has been triggered and the Spot Rate is more favourable than the Protection Rate at Expiry, you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Protection Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.15 Knock-In Improver and Leveraged Knock-In Improver

A Knock-In Improver is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than the nominated Exchange Rate (the Protection Rate) whilst giving you the potential to take advantage of favourable currency movements or improve the Protection Rate should either of the Knock-In Rate or the Knock-Out Rate not be triggered before the Expiry Date (or during a Window). The improvement created will be determined by the prevailing Spot Rate relative to the Protection Rate and Knock-In Rate and Knock-Out Rate on the Expiry Date.

6.15.1 Knock-In Improver Example

Protection Rate/Strike Rate: 0.7600
Knock-In Rate and Knock-Out Rate/Trigger Rates: 0.8000 and 0.7100
Expiry Date: 6 months
Notional Amount (Amount): USD100,000

6.15.1(a) Leveraged Knock-In Improver

Protection Rate/Strike Rate: 0.7750
Knock-In Rate and Knock-Out Rate/Trigger Rates: 0.8000 and 0.7100
Expiry Date: 6 months
Notional Amount (Amount): USD50,000
Leverage Ratio: 1:2
Leveraged Notional Amount (Amount): USD100,000

6.15.2 Possible Outcomes at Expiry

If the Knock-In Rate or Knock-Out Rate (0.8000 or 0.7100) has not been triggered:

- If the Spot Rate is less favourable than the Protection Rate (0.7600), say 0.7300, the importer will buy USD100,000 at the improved Protection Rate of 0.7926, as calculated by WUBS.
- If the Spot Rate is more favourable than the Protection Rate (0.7600), say 0.7900, the importer may buy USD at 0.7900 (although there is no obligation to do so).

If the Knock-In Rate or Knock-Out Rate (0.8000 or 0.7100) has been triggered:

- If the Spot Rate is less favourable than the Protection Rate (0.7600), say 0.7300, the importer will buy USD100,000 at the Protection Rate (0.7600).
- If the Spot Rate is more favourable than the Protection Rate (0.7600), say 0.7900, the importer is obligated to buy USD100,000 at 0.7600.

6.15.2(a) Possible Outcomes at Expiry

If the Knock-In or Knock-Out Rate (0.8000 or 0.7100) has not been triggered:

- If the Spot Rate is less favourable than the Protection Rate (0.7750), say 0.7300, the importer will buy USD50,000 at the improved Protection Rate of 0.8259, as calculated by WUBS.
- If the Spot Rate is more favourable than the Protection Rate (0.7750), say 0.7900, the importer may buy USD at 0.7900 (although there is no obligation to do so).

If the Knock-In or Knock-Out Rate (0.8000 or 0.7100) has been triggered:

- If the Spot Rate is less favourable than the Protection Rate (0.7750), say 0.7300, the importer will buy USD50,000 at the Protection Rate (0.7750).
- If the Spot Rate is more favourable than the Protection Rate (0.7750), say 0.7900, the importer is obligated to buy USD100,000 at 0.7750.

6.15.3 Benefits of a Knock-In Improver

- Protection at all times with a known worst-case Exchange Rate (Protection Rate).
- An ability to see the overall Protection Rate improve if the Spot Rate is less favourable than the Protection Rate and either the Knock-In or Knock-Out Rate is not triggered.
- An ability to potentially transact at favourable Exchange Rates on the Expiry Date should either the Knock-In or the Knock-Out Rates not trigger.

6.15.3(a) Additional Benefits of a Leveraged Knock-In Improver

- An ability to achieve a more favourable Protection Rate relative to a comparable Knock-In Improver without a Leverage Ratio.

6.15.4 Risks of a Knock-In Improver

- The Protection Rate will be less favourable than the comparable FEC.
- There is no ability to participate in favourable Exchange Rate movements if the Knock-In or Knock-Out Rate is triggered, and you will be obligated to trade at a potentially unfavourable Protection Rate.

6.15.4(a) Additional Risks of a Leveraged Knock-In Improver

- If the Knock-In or Knock-Out Rate is triggered you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at a potentially unfavourable Protection Rate.
- Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.16 Knock-In Reset and Leveraged Knock-In Reset

A Knock-In Reset is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated Exchange Rate (the Protection Rate). It also gives you the ability to participate in favourable movements in the Spot Rate provided that a Knock-In Rate is not triggered. If the Knock-In Rate is triggered, then you must transact at an agreed Reset Rate, which would be similar to the Exchange Rate of a comparable FEC. The Reset Rate will be more favourable than the Protection Rate and less favourable than the Knock-In Rate.

6.16.1 Knock-In Reset Example	**6.16.1(a) Leveraged Knock-In Reset Example**
Protection Rate/Strike Rate: 0.7500 Reset Rate/Strike Rate: 0.7700 Knock-In Rate/Trigger Rate: 0.8025 Expiry Date: 6 months Notional Amount (Amount): USD100,000	Protection Rate/Strike Rate: 0.7600 Reset Rate/Strike Rate: 0.7800 Knock-In Rat /Trigger Rate: 0.8100 Expiry Date: 6 months Notional Amount (Amount): USD50,000 Leverage Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.16.2 Possible Outcomes at Expiry	**6.16.2(a) Possible Outcomes at Expiry**
If the Knock-In Rate (0.8025) has not been triggered: • If the Spot Rate is less favourable than the Protection Rate (0.7500), say 0.7200, the importer will buy USD100,000 at 0.7500. • If the Spot Rate is more favourable than the Protection Rate (0.7500), say 0.7800, the importer can buy USD at 0.7800 (although there is no obligation to do so). If the Knock-In Rate (0.8025) has been triggered: • If the Spot Rate is less favourable than the Reset Rate (0.7700), say 0.7200, the importer will buy USD100,000 at 0.7700. • If the Spot Rate is more favourable than the Reset Rate (0.7700), say 0.7900, the importer is obligated to buy USD100,000 at 0.7700.	If the Knock-In Rate (0.8100) has not been triggered: • If the Spot Rate is less favourable than the Protection Rate (0.7600), say 0.7200, the importer will buy USD 50,000 at 0.7600. • If the Spot Rate is more favourable than the Protection Rate (0.7600), say 0.7800, the importer can buy USD at 0.7800 (although there is no obligation to do so). If the Knock-In Rate (0.8100) has been triggered: • If the Spot Rate is less favourable than the Reset Rate (0.7800), say 0.7200, the importer will buy USD 50,000 at 0.7800. • If the Spot Rate is more favourable than the Reset Rate (0.7800), say 0.7900, the importer is obligated to buy USD100,000 at 0.7800.
6.16.3 Benefits of a Knock-In Reset	**6.16.3(a) Additional Benefits of a Leveraged Knock-In Reset**
• Protection at all times with a known worst-case Exchange Rate (Protection Rate). • An ability to participate in favourable Exchange Rate movements, provided the Knock-In Rate is not triggered. • If the Knock-In Rate is triggered, you will transact at the Reset Rate, which is more favourable to you than the Protection Rate.	• An ability to achieve an enhanced Protection Rate relative to a comparable Knock-In Reset without a Leverage Ratio. • If the Knock-In Rate is triggered you will transact at the Reset Rate, which is more favourable than the Protection Rate or the Reset Rate for a comparable Knock-In Reset without a Leverage Ratio.
6.16.4 Risks of a Knock-In Reset	**6.16.4(a) Additional Risks of a Leveraged Knock-In Reset**
• There is no ability to participate in favourable Exchange Rate movements if the Knock-In Rate is triggered. You will transact at the Reset Rate, which could be less favourable to you than the Spot Rate at Expiry. • The Protection Rate will be less favourable than the comparable FEC.	• If the Knock-In Rate has been triggered and the Spot Rate is more favourable than the Reset Rate at Expiry, you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Reset Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.17 Knock-Out Reset and Leveraged Knock-Out Reset

A Knock-Out Reset is a Structured Option that gives you the benefit of achieving an enhanced Exchange Rate (the Enhanced Rate) compared to the equivalent Forward Exchange Rate provided that the Spot Rate remains within a specified range before Expiry (or during a Window) of the structure. If the Exchange Rate trades outside the specified range before Expiry (or during a Window), the Enhanced Rate will no longer be achievable, and you will be obligated to trade at the Reset Rate. A Knock-Out Reset will always provide you with a guaranteed worst-case Exchange Rate allowing you to protect against the risk that the Spot Rate is less favourable at Expiry of the contract.

6.17.1 Knock-Out Reset Example	6.17.1(a) Leveraged Knock-Out Reset Example
Enhanced Rate/Strike Rate: 0.7900 Reset Rate/Strike Rate: 0.7500 Knock-In Rate and Knock-Out Rate/Trigger Rates: 0.8050 and 0.7200 Expiry Date: 6 months Notional Amount (Amount): USD100,000	Enhanced Rate/Strike Rate: 0.8000 Reset Rate/Strike Rate: 0.7600 Knock-In Rate and Knock-Out Rate/Trigger Rates: 0.8050 and 0.7200 Expiry Date: 6 months Notional Amount (Amount): USD50,000 Leverage Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.17.2 Possible Outcomes at Expiry	**6.17.2(a) Possible Outcomes at Expiry**
If the Knock-In Rate or Knock-Out Rate (0.8050 or 0.7200) has not been triggered: • If the Spot Rate is less favourable than the Enhanced Rate (0.7900), say 0.7500, the importer will buy USD100,000 at the Enhanced Rate of 0.7900. • If the Spot Rate is more favourable than the Enhanced Rate (0.7900), say 0.8025, the importer will be obligated to buy USD100,000 at 0.7900. If the Knock-In Rate or Knock-Out Rate (0.8050 or 0.7200) has been triggered: • If the Spot Rate is less favourable than the Reset Rate (0.7500), say 0.7100, the importer will buy USD100,000 at the Reset Rate of 0.7500. • If the Spot Rate is more favourable than the Reset Rate (0.7500), say 0.8200, the importer will be obligated to buy USD100,000 at 0.7500.	If the Knock-In Rate or Knock-Out Rate (0.8050 or 0.7200) has not been triggered: • If the Spot Rate is less favourable than the Enhanced Rate (0.8000), say 0.7500, the importer will buy USD50,000 at 0.8000. • If the Spot Rate is more favourable than the Enhanced Rate (0.8000), say 0.8025, the importer will be obligated to buy USD100,000 at 0.8000. If the Knock-In Rate or Knock-Out Rate (0.8050 or 0.7200) has been triggered: • If the Spot Rate is less favourable than the Reset Rate (0.7600), say 0.7100, the importer will buy USD50,000 at the Reset Rate of 0.7600. • If the Spot Rate is more favourable than the Reset Rate (0.7600), say 0.8200, the importer will be obligated to buy USD100,000 at 0.7600.
6.17.3 Benefits of a Knock-Out Reset	**6.17.3(a) Additional Benefits of a Leveraged Knock-Out Reset**
• Protection at all times with a known worst-case Exchange Rate (Reset Rate). • Ability to achieve an Enhanced Rate over the comparative Forward Exchange Rate if the Knock-In or Knock-Out Rate has not been triggered.	• An ability to achieve an enhanced Exchange Rate comparative to a Knock-Out Reset without a Leverage Ratio. • If the Knock-In or Knock-Out Rate is triggered the Reset Rate will provide protection at an Exchange Rate that is more favourable than the Protection Rate or the Reset Rate for a comparable Knock-Out Reset without a Leverage Ratio. • Flexibility in how the Leverage Ratio can be applied to the Strike Rates.
6.17.4 Risks of a Knock-Out Reset	**6.17.4(a) Additional Risks of a Leveraged Knock-Out Reset**
• If either Knock-In or Knock-Out Rate is triggered, you will be transacting at the Reset Rate that is less favourable than the comparative Forward Exchange Rate and could be less favourable than the Spot Rate at Expiry.	• If the Knock-In or Knock-Out Rate is triggered and the Spot Rate is more favourable than the Reset Rate at Expiry, you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Reset Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.18 Extendible Forward and Leveraged Extendible Forward	
An Extendible Forward is a Structured Option, which allows you to protect against the risk that the Spot Rate will be less favourable than the nominated Exchange Rate (the Protection Rate). It provides you with the potential to have additional protection for a portion of your exposure, which we refer to as the Extendible Amount, for a further period of time after the first Expiry Date depending on whether the Knock-In Rate has been triggered before the first Expiry Date (or during a Window). Typically, the Knock-In Rate is the same level as the Protection Rate and is only observed at the Expiry Time on Expiry Date.	
6.18.1 Extendible Forward Example	**6.18.1(a) Leveraged Extendible Forward Example**
Enhanced Rate/Strike Rate: 0.7750 Knock-In Rate/Trigger Rate: 0.7750 First Expiry Date: 6 months Second Expiry Date: 9 months Notional Amount (Amount): USD100,000	Enhanced Rate/Strike Rate: 0.7800 Knock-In Rate/Trigger Rate: 0.7800 First Expiry Date: 6 months Second Expiry Date: 9 months Notional Amount (Amount): USD50,000 Leverage Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.18.2 Possible Outcomes at Expiry	**6.18.2(a) Possible Outcomes at Expiry**
• On the first Expiry Date (6 months) the importer will buy USD100,000 at 0.7750. • If the Knock-In Rate (0.7750) has not been triggered, the contract will cease to exist, and the importer will have no further obligation. • If the Knock-In Rate (0.7750) has been triggered the importer will be obligated to buy an additional USD100,000 at 0.7750 on the second Expiry Date (9 months).	• On the first Expiry Date (6 months) the importer will buy USD50,000 at 0.7800. • If the Knock-In Rate has not been triggered, the contract will cease to exist, and the importer will have no further obligation. • If the Knock-In Rate has been triggered the importer will be obligated to buy an additional USD100,000 at 0.7800 on the second Expiry Date (9 months).
6.18.3 Benefits of an Extendible Forward	**6.18.3(a) Additional Benefits of a Leveraged Extendible Forward**
• There is protection out to the first Expiry Date at a known worst-case Exchange Rate (Enhanced Rate). • Protection is at an Exchange Rate enhanced to a comparable FEC for both the first Expiry Date and the second Expiry Date. • The Notional Amount on the second Expiry Date can be less than the Notional Amount on the first Expiry Date.	• An ability to achieve a more favourable Enhanced Rate relative to a comparable Extendible Forward without a Leverage Ratio. • The Leverage Ratio could be applied to the Notional Amount on both Expiry Dates as an additional obligation.
6.18.4 Risks of an Extendible Forward	**6.18.4(a) Additional Risks of a Leveraged Extendible Forward**
• If the Spot Rate is more favourable than the Enhanced Rate at the first Expiry Date, you will be obligated to trade at the less favourable Enhanced Rate. • If the Knock-In Rate is triggered on (or during a window, before the) Expiry Date, you will have an obligation to trade at a potentially unfavourable Enhanced Rate on the second Expiry Date. • If the Knock-In is not triggered on (or during a window, before the) Expiry Date, you will not be protected for the Notional Amount on the second Expiry Date.	• If the Knock-In is triggered on (or during a window, before the) Expiry Date, you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at a potentially unfavourable Enhanced Rate on the second Expiry Date. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.19 Ratio Forward

A Ratio Forward is a Structured Option that will always provide you with partial protection at a guaranteed worst case Exchange Rate (the Enhanced Rate) allowing you to protect against the risk that the Spot Rate is less favourable on the Expiry Date of the contract.

As there is a Leverage Ratio component associated with a Ratio Forward you may be required to trade a multiple of the Notional Amount at the Enhanced Rate, which will be less favourable than the prevailing Spot Rate at Expiry. The amount that you will be required to trade will depend on the Leverage Ratio that you have agreed to. The maximum Leverage Ratio that WUBS offers for this product is 1:2.

6.19.1 Ratio Forward Example

Enhanced Rate/Strike Rate: 0.7800
Expiry Date: 6 months
Notional Amount (Amount): USD50,000
Leverage Ratio: 1:2
Leveraged Notional Amount (Amount): USD100,000

6.19.2 Possible Outcomes at Expiry

- If the Spot Rate is less favourable than the Enhanced Rate (0.7800), say 0.7200, the importer will buy USD50,000 at 0.7800.
- If the Spot Rate is more favourable than the Enhanced Rate (0.7800), say 0.8200, the importer will be obligated to buy USD100,000 at 0.7800.

6.19.3 Benefits of a Ratio Forward

- Protection at all times with a known worst-case Exchange Rate (Enhanced Rate).
- The Enhanced Rate will be more favourable than the comparable FEC.

6.19.4 Risks of a Ratio Forward

- You will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the Enhanced Rate if the Spot Rate is more favourable than the Enhanced Rate at Expiry.
- You are unable to participate in favourable currency movements beyond the Enhanced Rate.

6.20 Knock-Out and Leveraged Knock-Out

A Knock-Out is a Structured Option that gives you limited protection at an Exchange Rate (the Enhanced Rate) that is more favourable than the Exchange Rate that would apply to a comparable FEC provided that a Knock-Out Rate is not triggered before Expiry (or during a Window). If this occurs the contract ceases to exist.

6.20.1 Knock-Out Example	6.20.1(a) Leverage Knock-Out Example
Enhanced Rate/Strike Rate: 0.7900 Knock-Out Rate/Trigger Rate: 0.7250 Expiry Date: 6 months Notional Amount (Amount): USD100,000	Enhanced Rate/Strike Rate: 0.8000 Knock-Out Rate/Trigger Rate: 0.7200 Expiry Date: 6 months Notional Amount (Amount): USD50,000 Leverage Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.20.2 Possible Outcomes at Expiry	**6.20.2(a) Possible Outcomes at Expiry**
If the Knock-Out Rate (0.7250) has not been triggered: • If the Spot Rate is less favourable than the Enhanced Rate (0.7900), say 0.7300, the importer will buy USD100,000 at 0.7900. • If the Spot Rate is more favourable than the Enhanced Rate (0.7900), say 0.8200, the importer is obligated to buy USD100,000 at 0.7900. If the Knock-Out Rate (0.7250) has been triggered, the structure is terminated and there is no obligation on either party.	If the Knock-Out Rate (0.7200) has not been triggered: • If the Spot Rate is less favourable than the Enhanced Rate (0.8000), say 0.7300, the importer will buy USD50,000 at 0.8000. • If the Spot Rate is more favourable than the Enhanced Rate (0.8000), say 0.8200, the importer is obligated to buy USD100,000 at 0.8000. If the Knock-Out Rate (0.7200) has been triggered, the structure is terminated and there is no obligation on either party.
6.20.3 Benefits of a Knock-Out	**6.20.3(a) Additional Benefits of a Leveraged Knock-Out**
• A Knock-Out provides an enhanced Exchange Rate (Enhanced Rate) relative to a comparative FEC. • The Knock-Out Rate can be adjusted to different levels (or different Window periods).	• An ability to achieve a more favourable Enhanced Rate or Knock-Out Rate comparative to a Knock-Out structure without a Leverage Ratio.
6.20.4 Risks of a Knock-Out	**6.20.4(a) Additional Risks of a Leveraged Knock-Out**
• If the Knock-Out Rate is triggered the contract ceases to exist and you may potentially have to transact at a less favourable Exchange Rate. • If the Knock-Out Rate has not been triggered and the Spot Rate is more favourable than the Enhanced Rate at Expiry, you will be obligated to trade at the less favourable Enhanced Rate.	• If the Knock-Out Rate is not triggered and the Spot Rate is more favourable than the Enhanced Rate at Expiry, you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio at the less favourable Enhanced Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.21 Knock-Out Collar and Leveraged Knock-Out Collar

A Knock-Out Collar is a Structured Option which gives you limited protection at an Enhanced Rate whilst giving the ability to participate in favourable currency movements between the Enhanced Rate and a Participation Rate, contingent upon the Knock-Out Rate not being triggered. If this occurs the contract ceases to exist.

6.21.1 Knock-Out Collar Example	6.21.1(a) Leveraged Knock-Out Collar Example
Enhanced Rate/Strike Rate: 0.7700 Participation Rate/Strike Rate: 0.8100 Knock-Out Rate/Trigger Rate: 0.7250 Expiry Date: 6 months Notional Amount (Amount): USD100,000	Enhanced Rate/Strike Rate: 0.7750 Participation Rate/Strike Rate: 0.8150 Knock-Out Rate/Trigger Rate: 0.7250 Expiry Date: 6 months Notional Amount (Amount): USD50,000 Leverage Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.21.2 Possible Outcomes at Expiry	**6.21.2(a) Possible Outcomes at Expiry**
If the Knock-Out Rate has not been triggered: • If the Spot Rate is less favourable than the Enhanced Rate (0.7700), say 0.7300, the importer will buy USD100,000 at 0.7700. • If the Spot Rate is between the Enhanced Rate (0.7700) and the Participation Rate (0.8100), say 0.8000, the importer may buy USD at 0.8000 (although there is no obligation to do so). • If the Spot Rate is more favourable than the Participation Rate (0.8100), say 0.8300, the importer will be obligated to buy USD100,000 at 0.8100. If the Knock-Out Rate (0.7250) has been triggered the structure is terminated and there is no obligation on either party.	If the Knock-Out Rate has not been triggered: • If the Spot Rate is less favourable than the Enhanced Rate (0.7750), say 0.7300, the importer will buy USD50,000 at 0.7750. • If the Spot Rate is between the Enhanced Rate (0.7750) and the Participation Rate (0.8150), say 0.8000, the importer may buy USD at 0.8000 (although there is no obligation to do so). • If the Spot Rate is more favourable than the Participation Rate (0.8150), say 0.8300, the importer will be obligated to buy USD100,000 at the 0.8150. If the Knock-Out Rate (0.7250) has been triggered the structure is terminated and there is no obligation on either party.
6.21.3 Benefits of a Knock-Out Collar	**6.21.3(a) Additional Benefits of a Leveraged Knock-Out Collar**
• A Knock-Out Collar may provide a more favourable Enhanced Rate relative to a comparative FEC. • Provided that the Knock-Out Rate is not triggered there is an ability to participate in favourable Exchange Rate movements up to the Participation Rate. • The Knock-Out Rate can be adjusted to different levels (or different window periods).	• An ability to achieve a more favourable Enhanced Rate and/or Participation Rate comparative to an Knock-Out Collar structure without a Leverage Ratio.
6.21.4 Risks of a Knock-Out Collar	**6.21.4(a) Additional Risks of a Leveraged Knock-Out Collar**
• If the Knock-Out Rate is triggered, the contract ceases to exist and you may potentially have to transact at a less favourable Exchange Rate. • If the Knock-Out Rate has not been triggered and the Spot Rate is trading at an Exchange Rate that is more favourable than the Participation Rate at Expiry you will be obligated to trade at the less favourable Participation Rate.	• If the Knock-Out Rate is not triggered and the Spot Rate is more favourable than the Participation Rate at Expiry, you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Participation Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.22 Tracker and Leveraged Tracker

A Tracker is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated worst case Exchange Rate (the Protection Rate), whilst giving you the potential to improve the Protection Rate should the Spot Rate be more favourable than the Limit Rate.

6.22.1 Tracker Example

Protection Rate/Strike Rate: 0.7600
Limit Rate/Strike Rate: 0.7950
Expiry Date: 6 months
Notional Amount (Amount): USD100,000
Limit Amount: USD100,000

6.22.1(a) Leveraged Tracker Example

Protection Rate/Strike Rate: 0.7750
Limit Rate/Strike Rate: 0.7950
Expiry Date: 6 months
Notional Amount (Amount): USD50,000
Leverage Ratio: 1:2
Leveraged Notional Amount (Amount): USD100,000
Limit Amount: USD100,000

6.22.2 Possible Outcomes at Expiry

- If the Spot Rate is less favourable than the Protection Rate (0.7600), say 0.7200, the importer can buy USD100,000 at 0.7600.
- If the Spot Rate is between the Protection Rate (0.7600) and the Limit Rate (0.7950), say 0.7850, the importer will be obligated to buy USD100,000 at 0.7600.
- If the Spot Rate is more favourable than the Limit Rate (0.7950), say 0.8050, the importer is obligated to buy USD100,000 at an adjusted Protection Rate of 0.7691, as calculated by WUBS (which has been favourably adjusted to account for the difference between the Limit Rate and the Spot Rate). Alternatively, if the importer elects to cash settle the difference between the Spot Rate and the Limit Rate, they will be obligated to buy USD100,000 at 0.7600.

6.22.2(a) Possible Outcomes at Expiry

- If the Spot Rate is less favourable than the Protection Rate (0.7750), say 0.7200, the importer can buy USD50,000 at 0.7750.
- If the Spot Rate is between the Protection Rate (0.7750) and the Limit Rate (0.7950), say 0.7850, the importer will be obligated to buy USD100,000 at 0.7750.
- If the Spot Rate is more favourable than the Limit Rate (0.7950), say 0.8050, the importer is obligated to buy USD100,000 at an adjusted Protection Rate of 0.7845, as calculated by WUBS (which has been favourably adjusted to account for the difference between the Limit Rate and the Spot Rate). Alternatively, if the importer elects to cash settle the difference between the Spot Rate and the Limit Rate, they would be obligated to buy USD100,000 at 0.7750.

6.22.3 Benefits of a Tracker

- Protection at all times with a known worst-case Exchange Rate.
- An ability to improve the Protection Rate if the Spot Rate at Expiry is more favourable than the Limit Rate.

6.22.3(a) Additional Benefits of a Leveraged Tracker

- An ability to achieve a more favourable Protection Rate and/or a Limit Rate relative to a Tracker without a Leverage Ratio.

6.22.4 Risks of a Tracker

- The unadjusted Protection Rate will be less favourable than the Exchange Rate applicable to a comparable FEC.
- If the Spot Rate at Expiry is more favourable than the Protection Rate or the Limit Rate you will be obligated to trade at an unfavourable Exchange Rate relative to the Spot Rate (although this Exchange Rate may be adjusted favourably if the Spot Rate is more favourable than the Limit Rate).
- Participation in favourable Exchange Rate movements is reduced by the difference between the Limit Rate and the Protection Rate.

6.22.4(a) Additional Risks of a Leveraged Tracker

- If the Spot Rate at Expiry is more favourable than the Protection Rate, you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Protection Rate.
- Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.23 Capped Forward and Leveraged Capped Forward

A Capped Forward is a Structured Option that protects against the risk that the Spot Rate will be less favourable than a nominated Enhanced Rate. If the Spot Rate is less favourable than a Variation Rate at Expiry, the Enhanced Rate will be adjusted for the difference in the Variation Rate and the Spot Rate. Due to this feature, the Enhanced Rate obtained at Expiry may be less favourable than the Enhanced Rate agreed to at the Trade Date.

6.23.1 Capped Forward Example	6.23.1(a) Leveraged Capped Forward Example
Enhanced Rate/Strike Rate: 0.7750 Variation Rate/Strike Rate: 0.7400 Expiry Date: 6 months Notional Amount (Amount): USD100,000 Variation Amount: USD100,000	Enhanced Rate/Strike Rate: 0.7850 Variation Rate/Strike Rate: 0.7350 Expiry Date: 6 months Notional Amount (Amount): USD50,000 Variation Amount: USD50,000 Leveraged Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.23.2 Possible Outcomes at Expiry	**6.23.2(a) Possible Outcomes at Expiry**
• If the Spot Rate is more favourable than the Enhanced Rate (0.7750), say 0.8000, the importer is obligated to buy USD100,000 at 0.7750. • If the Spot Rate is between the Enhanced Rate (0.7750) and the Variation Rate (0.7400), say 0.7500, the importer can buy USD100,000 at 0.7750. • If the Spot Rate is less favourable than the Variation Rate (0.7400), say 0.7000, the importer will be obligated to buy USD100,000 at an adjusted Enhanced Rate of 0.7312 (adjusted for the difference in the Variation Rate and the Spot Rate).	• If the Spot Rate is more favourable than the Enhanced Rate (0.7850), say 0.8000, the importer is obligated to buy USD100,000 at 0.7850. • If the Spot Rate is between the Enhanced Rate (0.7850) and the Variation Rate (0.7350), say 0.7500, the importer can buy USD50,000 at 0.7850. • If the Spot Rate is less favourable than the Variation Rate (0.7350), say 0.7000, the importer will be obligated to buy USD50,000 at an adjusted Enhanced Rate of 0.7452 (adjusted for the difference in the Variation Rate and the Spot Rate).
6.23.3 Benefits of a Capped Forward	**6.23.3(a) Additional Benefits of a Leveraged Capped Forward**
• An ability to achieve an Enhanced Rate relative to an equivalent FEC. • The Enhanced Rate will always be more favourable than the Spot Rate when the Spot Rate is less favourable than the Variation Rate.	• An ability to achieve a more favourable Enhanced Rate and/or Variation Rate relative to a Capped Forward without a Leverage Ratio.
6.23.4 Risks of a Capped Forward	**6.23.4(a) Additional Risks of a Leveraged Capped Forward**
• The Enhanced Rate will deteriorate as the Spot Rate moves unfavourably relative to the Variation Rate. • The contract cannot be pre-delivered before Expiry. • If the Spot Rate at Expiry is more favourable than the Enhanced Rate you will be obligated to trade at the Enhanced Rate.	• If the Spot Rate at Expiry is more favourable than the Enhanced Rate you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Enhanced Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.24 Capped Forward with Protection and Leveraged Capped Forward with Protection

A Capped Forward with Protection is a Structured Option which has the same basic features as the Capped Forward, described in section 6.23 except it allows you to protect against the risk that the Spot Rate will be less favourable than a nominated worst-case Exchange Rate (the Protection Rate), whilst giving you the potential to transact at an Enhanced Rate. If the Spot Rate is less favourable than a Variation Rate at Expiry, the Enhanced Rate will be adjusted for the difference in the Variation Rate and the Spot Rate. Due to this feature, the Enhanced Rate obtained on Expiry may be less favourable than the Enhanced Rate agreed at Trade Date. This deterioration in the Enhanced Rate will cease if the Spot Rate is less favourable than the Protection Rate.

6.24.1 Capped Forward with Protection Example	6.24.1(a) Leveraged Capped Forward with Protection Example
Enhanced Rate/Strike Rate: 0.7750 Variation Rate/Strike Rate: 0.7550 Protection/Strike Rate: 0.7300 Expiry Date: 6 months Notional Amount (Amount): USD100,000 Variation Amount: USD100,000	Enhanced Rate/Strike Rate: 0.7850 Variation Rate/Strike Rate: 0.7400 Protection Rate/Strike Rate: 0.7100 Expiry Date: 6 months Notional Amount (Amount): USD50,000 Leverage Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000 Variation Amount: USD50,000
6.24.2 Possible Outcomes at Expiry	**6.24.2(a) Possible Outcomes at Expiry**
• If the Spot Rate is more favourable than the Enhanced Rate (0.7750), say 0.8000, the importer is obligated to buy USD100,000 at 0.7750. • If the Spot Rate is between the Enhanced Rate (0.7750) and the Variation Rate (0.7550), say 0.7600, the importer will buy USD100,000 at 0.7750. • If the Spot Rate is between the Variation Rate (0.7550) and the Protection Rate (0.7300), say 0.7400, the importer will buy USD100,000 at an adjusted Enhanced Rate of 0.7592 (adjusted for the difference in the Variation Rate and the Spot Rate). • If the Spot Rate is less favourable than the Protection Rate (0.7300), say 0.7000, the importer will buy USD100,000 at an adjusted Enhanced Rate of 0.7487 (adjusted for the difference in the Variation Rate and the Protection Rate).	• If the Spot Rate is more favourable than the Enhanced Rate (0.7850), say 0.8000, the importer is obligated to buy the USD100,000 at 0.7850. • If the Spot Rate is between the Enhanced Rate (0.7850) and the Variation Rate (0.7400), say 0.7600, the importer will buy USD50,000 at 0.7850. • If the Spot Rate is between the Variation Rate (0.7400) and the Protection Rate (0.7100), say 0.7300, the importer will buy USD50,000 at an adjusted Enhanced Rate of 0.7738 (adjusted for the difference in the Variation Rate and the Spot Rate). • If the Spot Rate is less favourable than the Protection Rate (0.7100), say 0.6900, the importer will buy USD50,000 at an adjusted Enhanced Rate of 0.7513 (adjusted for the difference in the Variation Rate and the Protection Rate).
6.24.3 Benefits of a Capped Forward with Protection	**6.24.3(a) Additional Benefits of a Leveraged Capped Forward with Protection**
• An ability to achieve an Enhanced Rate relative to an equivalent FEC. • The Enhanced Rate will always be more favourable than the Protection Rate. • There is always protection with a known worst case Exchange Rate.	• An ability to achieve a more favourable Enhanced Rate and/or Variation Rate and/or Protection Rate than the Capped Forward with Protection without a Leverage Ratio.
6.24.4 Risks of a Capped Forward with Protection	**6.24.4(a) Additional Risks of a Leveraged Capped Forward with Protection**
• The Enhanced Rate will deteriorate as the Spot Rate moves unfavourably below the Variation Rate. • The contract cannot be pre-delivered at the Enhanced Rate before Expiry. • If the Spot Rate at Expiry is more favourable than the Enhanced Rate you will be obligated to trade at the Enhanced Rate.	• If the Spot Rate at Expiry is more favourable than the Enhanced Rate you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Enhanced Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.25 Seagull and Leveraged Seagull

A Seagull is a Structured Option that protects against the risk that the Spot Rate will be less favourable than a nominated Enhanced Rate at Trade Date, along with the ability to participate in a more favourable Spot Rate to the level of a Participation Rate. Should the Spot Rate be less favourable than a Variation Rate at Expiry, the Enhanced Rate will be adjusted for the difference in the Variation Rate and the Spot Rate. Due to this feature, the Enhanced Rate obtained on Expiry may be less favourable than the Enhanced Rate agreed at Trade Date.

6.25.1 Seagull Example	6.25.1(a) Leveraged Seagull Example
Enhanced Rate/Strike Rate: 0.7725 Participation Rate/Strike Rate: 0.7900 Variation Rate/Strike Rate: 0.7600 Expiry Date: 6 months Notional Amount (Amount): USD100,000	Enhanced Rate/Strike Rate: 0.7750 Participation Rate/Strike Rate: 0.8000 Variation Rate/Strike Rate: 0.7600 Expiry Date: 6 months Notional Amount (Amount): USD50,000 Leveraged Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.25.2 Possible Outcomes at Expiry	**6.25.2(a) Possible Outcomes at Expiry**
• If the Spot Rate is more favourable than the Participation Rate (0.7900), say 0.8200, the importer will be obligated to buy USD100,000 at 0.7900. • If the Spot Rate is between the Participation Rate (0.7900) and the Enhanced Rate (0.7725), say 0.7800, the importer can buy USD at 0.7800 (although there is no obligation to do so). • If the Spot Rate is between the Enhanced Rate (0.7725) and the Variation Rate (0.7600), say 0.7650, the importer will buy USD100,000 at 0.7725. • If the Spot Rate is less favourable than the Variation Rate (0.7600), say 0.7000, the importer will buy USD100,000 at 0.7106 (which is the Enhanced Rate adjusted for the difference in the Variation Rate (0.7600) and the Spot Rate (0.7000).	• If the Spot Rate is more favourable than the Participation Rate (0.8000), say 0.8200, the importer will be obligated to buy USD100,000 at 0.8000. • If the Spot Rate is between the Participation Rate (0.8000) and the Enhanced Rate (0.7750), say 0.7800, the importer can buy USD at 0.7800 (although there is no obligation to do so). • If the Spot Rate is between the Enhanced Rate (0.7750) and the Variation Rate (0.7600), say 0.7650, the importer will buy USD50,000 at 0.7750. • If the Spot Rate is less favourable than the Variation Rate (0.7600), say 0.7000, the importer will buy USD50,000 at 0.7127 (which is the Enhanced Rate adjusted for the difference in the Variation Rate (0.7600) and the Spot Rate (0.7000)).
6.25.3 Benefits of a Seagull	**6.25.3(a) Additional Benefits of a Leveraged Seagull**
• An ability to achieve an Enhanced Rate relative to an equivalent FEC. • Ability to participate in favourable moves up to the Participation Rate. • The Enhanced Rate will be more favourable than the Spot Rate even when the Spot Rate is less favourable than the Variation Rate.	• The Enhanced Rate and/or the Variation Rate and/or Protection Rate will be more favourable than a Seagull without a Leverage Ratio.
6.25.4 Risks of a Seagull	**6.25.4(a) Additional Risks of a Leveraged Seagull**
• The Enhanced Rate will depreciate as the Spot Rate moves unfavourably. • The contract cannot be pre-delivered before the Expiry Date. • If the Spot Rate at Expiry is more favourable than the Participation Rate you will be obligated to trade at the less favourable Participation Rate.	• If the Spot Rate at Expiry is more favourable than the Participation Rate you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Participation Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.26 Enhanced Forward and Leveraged Enhanced Forward

An Enhanced Forward is a Structured Option that gives you the ability to obtain an enhanced Exchange Rate relative to a comparative FEC at an Expiry Date in the future (first Expiry Date). If the Spot Rate is less favourable than the Enhanced Rate on a subsequent date (Second Expiry Date), you will be obligated to transact a second Notional Amount. An Enhanced Forward will always provide you with a guaranteed worst-case Exchange Rate (the Enhanced Rate) on the first Expiry Date.

6.26.1 Enhanced Forward Example	**6.26.1(a) Leveraged Enhanced Forward Example**
Enhanced Rate/Strike Rate: 0.7775 First Expiry Date: 3 months Second Expiry Date: 6 months Notional Amount (Amount): USD100,000	Enhanced Rate/Strike Rate: 0.7815 First Expiry Date: 3 months Second Expiry Date: 6 months Notional Amount (Amount): USD50,000 Leverage Ratio: 1:2 Leveraged Notional Amount (Amount): USD100,000
6.26.2 Possible Outcomes at Expiry	**6.26.2(a) Possible Outcomes at Expiry**
First Expiry Date: 3 months • The importer will be obligated to buy USD100,000 at the Enhanced Rate of 0.7775. Second Expiry Date: 6 months • If the Spot Rate is less favourable than the Enhanced Rate (0.7775), say 0.7400, the importer can buy USD100,000 at 0.7400 (although there is no obligation to do so). • If the Spot Rate is more favourable than the Enhanced Rate (0.7775), say 0.8000, the importer will be obligated to buy USD100,000 at 0.7775.	First Expiry Date: 3 months • If the Spot Rate is less favourable than the Enhanced Rate (0.7815), say 0.7400, the importer will buy USD50,000 at 0.7815. • If the Spot Rate is more favourable than the Enhanced Rate (0.7815), say 0.8000, the importer will be obligated to buy USD100,000 at 0.7815. Second Expiry Date: 6 months: • If the Spot Rate is less favourable than the Enhanced Rate (0.7815), say 0.7400, the importer can buy USD100,000 at 0.7400 (although there is no obligation to do so). • If the Spot Rate is more favourable than the Enhanced Rate (0.7815), say 0.8000, the importer will be obligated to buy USD100,000 at 0.7815.
6.26.3 Benefits of an Enhanced Forward	**6.26.3(a) Additional Benefits of a Leveraged Enhanced Forward**
• Protection at a known worst-case Exchange Rate on the first Expiry Date. • An ability to achieve an Enhanced Rate relative to the comparative FEC. • The maximum obligation on the contracts can be realised across different Expiry Dates, minimising cash flow impact.	• The Enhanced Rate will be more favourable than the Enhanced Forward without a Leverage Ratio. • The Leverage Ratio can be applied to either the First Expiry Date or Second Expiry Date.
6.26.4 Risks of an Enhanced Forward	**6.26.4(a) Additional Risks of a Leveraged Enhanced Forward**
• Participation in favourable Exchange Rate movements is limited to the Enhanced Rate. • There is no protection if the Spot Rate is less favourable than the Enhanced Rate on the second Expiry Date. • If the Spot Rate is more favourable than the Enhanced Rate on the second Expiry Date you will be obligated to transact at the less favourable Enhanced Rate.	• If the Spot Rate at the agreed Expiry Date is more favourable than the Enhanced Rate you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Enhanced Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

Please note that prior to WUBS agreeing to enter into any of the products described in sections 6.27 – 6.32 below, we will require you to complete a declaration form acknowledging that you have received, read, and understood this PDS, due to the special features associated with these products.

6.27 Target Accrual Redemption Forward (TARF) and Leveraged TARF

A TARF is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated Exchange Rate (the Enhanced Rate) on certain nominated Fixing Dates during an agreed term provided that an agreed level of gain (the Target Bucket) has not already been reached. WUBS expresses the Target Bucket as a number of Foreign Exchange Points (Points). Once the Target Bucket has been redeemed, the TARF will terminate.

6.27.1 TARF Example

Enhanced Rate/Strike Rate: 0.7700
Target Bucket: 1,000 Points
Fixing Frequency: monthly
Notional Amount (Amount) per fixing: USD100,000
Maximum Notional Amount: USD600,000
Fixing Date: 30th (or next valid Business Day) of each month for six months

6.27.1(a) Leveraged TARF Example

Enhanced Rate/Strike Rate: 0.7850
Target Bucket: 1,000 Points
Fixing Frequency: monthly
Notional Amount (Amount) per fixing: USD50,000
Maximum Notional Amount: USD300,000
Leverage Ratio: 1:2
Leveraged Notional Amount (Amount) per fixing: USD100,000
Maximum Leveraged Notional Amount: USD600,000
Fixing Date: 30th (or next valid Business Day) of each month for six months

6.27.2 Outcomes at each Fixing Date (TARF and Leveraged TARF)

If the Target Bucket has not been fully redeemed on a Fixing Date one of the following outcomes will occur:

- If the Fixing Rate is more favourable than the Enhanced Rate, say 0.8000, the importer will buy the Notional Amount per fixing at 0.7700 or Leveraged Notional Amount per fixing at 0.7850 (as applicable) and the Target Bucket will be unchanged.

If the Fixing Rate is less favourable than the Enhanced Rate:

- If the Points remaining within the Target Bucket are equal to or exceed the number of Points between the Fixing Rate and the Enhanced Rate the importer will buy the Notional Amount at the Enhanced Rate and the Target Bucket Points balance will be reduced by an amount equivalent to the number of Points between the Fixing Rate and the Enhanced Rate.
- If the Points balance within the Target Bucket are less than the number of Points between the Fixing Rate and the Enhanced Rate the importer will transact at the Enhanced Rate, but the Notional Amount transacted will be reduced to account for the value of the remaining Points in the Target Bucket. As the Target Bucket is fully redeemed, the TARF is terminated.

6.27.3 Example of Possible Outcomes at Fixing Dates

Fixing Date	Enhanced Rate	Fixing Rate	Points Below	Points Used	Points Available Pre-Fix	Points Available Post-Fix	Traded Amount (USD)	Traded Rate
Month 1	0.7700	0.7450	250	250	1000	750	100,000	0.7675
Month 2	0.7700	0.7854	-154	0	750	750	100,000	0.7675
Month 3	0.7700	0.7290	410	410	750	340	100,000	0.7675
Month 4	0.7700	0.7816	-116	0	340	340	100,000	0.7675
Month 5	0.7700	0.7160	540	Remaining 340	340	0	62,963	0.7675
Month 6	0.7700	Contract was terminated at Month 5 Fixing. No further trades.						

6.27.3(a) Example of Possible Outcomes at Fixing Dates

Fixing Date	Enhanced Rate	Fixing Rate	Points Below	Points Used	Points Available Pre-Fix	Points Available Post-Fix	Traded Amount (USD)	Traded Rate
Month 1	0.7850	0.7450	400	400	1000	600	50,000	0.7775
Month 2	0.7850	0.7854	-4	0	600	600	100,000	0.7775
Month 3	0.7850	0.7290	560	560	600	40	50,000	0.7775
Month 4	0.7850	0.7816	34	0	40	40	100,000	0.7775
Month 5	0.7850	0.7160	690	Remaining 40	40	0	2,899	0.7775
Month 6	0.7850	Contract was terminated at Month 5 Fixing. No further trades.						

6.27.4 Benefits of a TARF

- An ability to achieve an Enhanced Rate relative to an equivalent FEC.
- The Enhanced Rate is likely to be more favourable than other products without a Leverage Ratio.
- Some level of protection is guaranteed from the outset equivalent to the number of Points in the Target Bucket.

6.27.4(a) Additional Benefits of a Leveraged TARF

- An ability to achieve an Enhanced Rate or more Target Bucket Points relative to a TARF without a Leverage Ratio.
- The Enhanced Rate is likely to be more favourable than other leveraged products.

TARF and Leveraged TARF Continued

6.27.5 Risks of a TARF	6.27.5(a) Additional Risks of a Leveraged TARF
• Once the Target Bucket has been redeemed there is no further protection. This may occur before the final Fixing Date, which will mean that the Notional Amount traded at the Enhanced Rate will be less than the maximum Notional Amount. Consequently, you may need to trade at a less favourable Spot Rate. • If the Fixing Rate is more favourable than the Enhanced Rate on a Fixing Date (and the Target Bucket has not been redeemed) you will be obligated to trade at the less favourable Enhanced Rate. • A TARF generally has an extended Tenor compared to other Structured Option products and as a result there is a greater risk that during the term of a TARF the Enhanced Rate will no longer be favourable when compared to the prevailing Spot Rate.	• If the Fixing Rate is more favourable than the Enhanced Rate on the Fixing Date, you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Enhanced Rate. • Due to the Leverage Ratio that is applied, there may be less protection compared to a TARF without a Leverage Ratio and other Structured Option products without a Leverage Ratio.

6.28 TARF Full Final Fixing and Leveraged TARF Full Final Fixing

A TARF Full Final Fixing is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated Exchange Rate (the Enhanced Rate) on certain nominated Fixing Dates during an agreed term provided that an agreed level of gain (the Target Bucket) has not already been reached. WUBS expresses the Target Bucket as a number of Foreign Exchange Points (Points). Once the Target Bucket has been redeemed, the TARF will terminate. Should a fixing occur where remaining Points in the Target Bucket are insufficient to meet the difference between the Fixing Rate and the Enhanced Rate, there is no adjustment in Notional Amount as per the TARF (see section 6.27.5) and you will transact the full Notional Amount and the TARF will terminate.

6.28.1 TARF Full Final Fixing Example

Enhanced Rate/Strike Rate: 0.7675
Target Bucket: 1,000 Points
Fixing Frequency: monthly
Notional Amount (Amount) per fixing: USD100,000
Maximum Notional Amount: USD600,000
Fixing Date: 30th (or next valid Business Day) of each month for six months.

6.28.1(a) Leveraged TARF Full Final Fixing Example

Enhanced Rate/Strike Rate: 0.7775
Target Bucket: 1,000 Points
Fixing Frequency: monthly
Notional Amount (Amount)per fixing: USD50,000
Maximum Notional Amount: USD300,000
Leverage Ratio: 1:2
Leveraged Notional Amount (Amount) per fixing: USD100,000
Maximum Leveraged Notional Amount: USD600,000
Fixing Date: 30th (or next valid Business Day) of each month for six months.

6.28.2 Outcomes at each Fixing Date TARF (Full Final Fixing and Leveraged TARF Full Final Fixing)

If the Target Bucket has not been fully redeemed on a Fixing Date, one of the following outcomes will occur:

- If the Fixing Rate is more favourable than the Enhanced Rate, say 0.8000, the importer will buy the Notional Amount at 0.7675 or Leveraged Notional Amount at 0.7775 (as applicable).
- If the Fixing Rate is less favourable than the Enhanced Rate and:
  - the Points remaining within the Target Bucket are equal to or exceed the number of Points between the Fixing Rate and the Enhanced Rate, the importer will buy the Notional Amount at the Enhanced Rate and the Target Bucket Points balance will be reduced by an amount equivalent to the number of Points between the Fixing Rate and the Enhanced Rate; or
  - the Points balance within the Target Bucket are less than the number of Points between the Fixing Rate and the Enhanced Rate, the importer will buy the Notional Amount at the Enhanced Rate and the TARF Full Final Fixing is terminated.

6.28.3 Example of Possible Outcomes at Fixing Dates

Fixing Date	Enhanced Rate	Fixing Rate	Points Below	Points Used	Points Available Pre-Fix	Points Available Post-Fix	Traded Amount (USD)	Traded Rate
Month 1	0.7675	0.7450	225	225	1000	775	100,000	0.7675
Month 2	0.7675	0.7854	-179	0	775	775	100,000	0.7675
Month 3	0.7675	0.7290	385	385	775	390	100,000	0.7675
Month 4	0.7675	0.7816	-141	0	390	390	100,000	0.7675
Month 5	0.7675	0.7160	515	Remaining 390	390	0	100,000	0.7675
Month 6	0.7675	Contract was terminated at Month 5 Fixing. No further trades.						

6.28.3(a) Example of Possible Outcomes at Fixing Dates

Fixing Date	Enhanced Rate	Fixing Rate	Points Below	Points Used	Points Available Pre-Fix	Points Available Post-Fix	Traded Amount (USD)	Traded Rate
Month 1	0.7775	0.7450	325	325	1000	675	50,000	0.7775
Month 2	0.7775	0.7854	-79	0	675	675	100,000	0.7775
Month 3	0.7775	0.7290	485	485	675	190	50,000	0.7775
Month 4	0.7775	0.7816	-41	0	190	190	100,000	0.7775
Month 5	0.7775	0.7160	615	Remaining 190	190	0	50,000	0.7775
Month 6	0.7775	Contract was terminated at Month 5 Fixing. No further trades.						

TARF Full Final Fixing and Leveraged TARF Full Final Fixing Continued

6.28.4 Benefits of a TARF Full Final Fixing	6.28.4(a) Additional Benefits of Leveraged TARF Full Final Fixing
• An ability to achieve an Enhanced Rate relative to an equivalent FEC. • The Enhanced Rate is likely to be more favourable than other products without a Leverage Ratio. • A degree of protection is guaranteed from the outset equivalent to the number of Points in the Target Bucket. • Guaranteed full final fixing for the Notional Amount when final fixing difference exceeds the Points remaining. • A TARF Full Final Fixing can be deleveraged.	• An ability to achieve an Enhanced Rate or more Target Bucket Points relative to an TARF Full Final Fixing without a Leverage Ratio. • An ability to achieve an Enhanced Rate or more Target Bucket Points relative to a TARF Full Final Fixing without a Leverage Ratio.
6.28.5 Risks of a TARF Full Final Fixing	**6.28.5(a) Additional Risks of Leveraged TARF Full Final Fixing**
• Once the Target Bucket has been redeemed, there is no further protection. This may occur before the final Fixing Date. • If the Fixing Rate is more favourable than the Enhanced Rate on any Fixing Date (and the Target Bucket has not been redeemed) you will be obligated to trade at the less favourable Enhanced Rate. • A TARF Full Final Fixing generally has an extended Tenor compared to other Structure Option products and as a result there is a greater risk that during the term of a TARF Full Final Fixing the Enhanced Rate will no longer be favourable when compared to the prevailing Spot Rate.	• If the Fixing Rate is more favourable than the Enhanced Rate on the Fixing Date you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Enhanced Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.29 TARF Guaranteed Count and Leveraged TARF Guaranteed Count

A TARF Guaranteed Count is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated Exchange Rate (the Enhanced Rate) on certain nominated Fixing Dates during an agreed term provided that an agreed number of Guaranteed Fixings have not already been used. Once all the Guaranteed Fixings have been used, the TARF Guaranteed Count will terminate.

6.29.1 TARF Guaranteed Count Example

Enhanced Rate/Strike Rate: 0.7700
Guaranteed Fixings: 3
Fixing Frequency: monthly
Notional Amount (Amount) per fixing: USD100,000
Maximum Notional Amount: USD600,000
Fixing Date: 30th (or next valid Business Day) of each month for six months.

6.29.1(a) Leveraged TARF Guaranteed Count Example

Enhanced Rate/Strike Rate: 0.7800
Guaranteed Fixings: 3
Fixing Frequency: monthly
Notional Amount (Amount) per fixing: USD50,000
Maximum Notional Amount: USD300,000
Leverage Ratio: 1:2
Leveraged Notional Amount (Amount) per fixing: USD100,000
Maximum Leveraged Notional Amount: USD600,000
Fixing Date: 30th (or next valid Business Day) of each month for six months.

6.29.2 Outcomes at each Fixing Date (TARF Guaranteed Count and Leveraged TARF Guaranteed Count)

If Guaranteed Fixings remain on a Fixing Date one of the following outcomes will occur:

- If the Fixing Rate is more favourable than the Enhanced Rate, say 0.8000, the importer will buy the Notional Amount at 0.7700 or Leveraged Notional Amount at 0.7800 (as applicable).

- If the Fixing Rate is less favourable than the Enhanced Rate and:
  - the Guaranteed Fixings remaining are greater than 1, the importer will buy the Notional Amount at the Enhanced Rate.
  - the Guaranteed Fixings remaining are equal to 1, the importer will buy the Notional Amount at the Enhanced Rate and the TARF Guaranteed Count is terminated.

6.29.3 Example of Possible Outcomes at Fixing Dates

Fixing Date	Enhanced Rate	Fixing Rate	Above or Below Enhanced Rate	Guaranteed Count Used:	Guaranteed Counts Available Pre-Fix	Guaranteed Counts Available Post-Fix	Traded Amount (USD)	Traded Rate
Month 1	0.7700	0.7625	Below	Yes	3	2	100,000	0.7700
Month 2	0.7700	0.7585	Below	Yes	2	1	100,000	0.7700
Month 3	0.7700	0.7730	Above	No	1	1	100,000	0.7700
Month 4	0.7700	0.7780	Above	No	1	1	100,000	0.7700
Month 5	0.7700	0.7665	Below	Yes	1	0	100,000	0.7700
Month 6	0.7700	Contract was terminated at Month 5 Fixing. No further trades.						

6.29.3(a) Example of Possible Outcomes at Fixing Dates

Fixing Date	Enhanced Rate	Fixing Rate	Above or Below Enhanced Rate	Guaranteed Count Used:	Guaranteed Counts Available Pre-Fix	Guaranteed Counts Available Post-Fix	Traded Amount (USD)	Traded Rate
Month 1	0.7800	0.7705	Below	Yes	3	2	50,000	0.7800
Month 2	0.7800	0.7890	Above	No	2	2	100,000	0.7800
Month 3	0.7800	0.7665	Below	Yes	2	1	50,000	0.7800
Month 4	0.7800	0.7950	Above	No	1	1	100,000	0.7800
Month 5	0.7800	0.7525	Below	Yes	1	0	50,000	0.7800
Month 6	0.7800	Contract was terminated at Month 5 Fixing. No further trades.						

6.29.4 Benefits of a TARF Guaranteed Count

- An ability to achieve an Enhanced Rate relative to an equivalent FEC.
- The Enhanced Rate is likely to be more favourable than other products without a Leverage Ratio.
- A degree of protection is guaranteed from the outset equivalent to the Notional Amount for each of the Guaranteed Fixings.
- Guaranteed Fixings can be pre-delivered.
- A TARF Guaranteed Count can be deleveraged.

6.29.4(a) Additional Benefits of Leveraged TARF Guaranteed Count

- An ability to achieve an Enhanced Rate or more Guaranteed Fixings relative to a TARF Guaranteed Count without a Leverage Ratio.

TARF Guaranteed Count and Leveraged TARF Guaranteed Count Continued

<table>
<tr><th>6.29.5 Risks of a TARF Guaranteed Count</th><th>6.29.5(a) Additional Risks of Leveraged TARF Guaranteed Count</th></tr>
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Once all the Guaranteed Fixings are redeemed, there is no further protection. This may occur before the final Fixing Date.
If the Fixing Rate is more favourable than the Enhanced Rate on any Fixing Date (and the Guaranteed Fixings have not all been used) you will be obligated to trade at the less favourable Enhanced Rate.
A TARF Guaranteed Count generally has an extended Tenor compared to other Structured Option products and as a result there is a greater risk that during the term of a TARF Guaranteed Count the Enhanced Rate will no longer be favourable when compared to the prevailing Spot Rate.

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If the Fixing Rate is more favourable than the Enhanced Rate on the Fixing Date, you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Enhanced Rate.
Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

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6.30 Variable Strike TARF and Leveraged Variable Strike TARF

A Variable Strike TARF is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a set of Exchange Rates (the Enhanced Rates) on nominated Fixing Dates during an agreed term provided that an agreed level of gain (the Target Bucket) has not already been reached. WUBS expresses the Target Bucket as a number of Foreign Exchange Points (Points). Once the Target Bucket has been redeemed, the Variable Strike TARF will terminate.

6.30.1 Variable Strike TARF Example

Enhanced Rate/Strike Rates: See table in 6.30.3
Target Bucket: 1,000 Points
Fixing Frequency: monthly
Notional Amount (Amount) per fixing: USD100,000
Maximum Notional Amount: USD600,000
Fixing Date: 30th (or next valid Business Day) of each month for six months.

6.30.1(a) Leveraged Variable Strike TARF Example

Enhanced Rate/Strike Rates: See table in 6.30.3(a)
Target Bucket: 1,000 Points
Fixing Frequency: monthly
Notional Amount (Amount) per fixing: USD50,000
Maximum Notional Amount: USD300,000
Leverage Ratio: 1:2
Leveraged Notional Amount (Amount) per fixing: USD100,000
Maximum Leveraged Notional Amount: USD600,000
Fixing Date: 30th (or next valid Business Day) of each month for six months.

6.30.2 Outcomes at each Fixing Date (Variable Strike TARF and Leveraged Variable Strike TARF)

If the Fixing Rate is more favourable than the Enhanced Rate the importer is obligated to buy the Notional Amount or Leveraged Notional Amount at the Enhanced Rate (as applicable).

If the Fixing Rate is less favourable than the Enhanced Rate and:

- the Points remaining within the Target Bucket are equal to or exceed the number of Points between the Fixing Rate and the Enhanced Rate, the importer will buy the Notional Amount at the Enhanced Rate and the Target Bucket Points balance will be reduced by an amount equivalent to the number of Points between the Fixing Rate and the Enhanced Rate.
- the Points balance within the Target Bucket are less than the number of Points between the Fixing Rate and the Enhanced Rate, the importer will transact at the Enhanced Rate, but the Notional Amount transacted will be reduced to account for the value of the remaining Points in the Target Bucket. As the Target Bucket is fully redeemed the Variable Strike TARF is terminated.

6.30.3 Example of Possible Outcomes at Fixing Dates

Fixing Date	Enhanced Rate	Fixing Rate	Points Below	Points Used	Points Available Pre-Fix	Points Available Post-Fix	Traded Amount (USD)	Traded Rate
Month 1	0.7750	0.7450	300	300	1000	700	100,000	0.7750
Month 2	0.7750	0.7854	-104	0	700	700	100,000	0.7750
Month 3	0.7750	0.7290	460	460	700	240	100,000	0.7750
Month 4	0.7650	0.7816	-166	0	240	240	100,000	0.7650
Month 5	0.7650	0.7160	490	Remaining 240	240	0	100,000	0.7650
Month 6	0.7650	Contract was terminated at Month 5 Fixing. No further trades.						

6.30.3(a) Example of Possible Outcomes at Fixing Dates

Fixing Date	Enhanced Rate	Fixing Rate	Points Below	Points Used	Points Available Pre-Fix	Points Available Post-Fix	Traded Amount (USD)	Traded Rate
Month 1	0.7900	0.7550	350	350	1000	650	50,000	0.7900
Month 2	0.7900	0.7980	-80	0	650	650	100,000	0.7900
Month 3	0.7900	0.7745	155	155	650	495	50,000	0.7900
Month 4	0.7750	0.7816	-66	0	495	495	100,000	0.7750
Month 5	0.7750	0.7160	590	Remaining 495	495	0	41,949	0.7750
Month 6	0.7750	Contract was terminated at Month 5 Fixing. No further trades.						

6.30.4 Benefits of a Variable Strike TARF

- An ability to achieve an Enhanced Rate relative to an equivalent FEC.
- The Enhanced Rate is likely to be more favourable than other products without a Leverage Ratio.
- A degree of protection is guaranteed from the outset equivalent to the number of Points in the Target Bucket.
- Ability to have flexibility on the level Enhanced Rate throughout the term of the structure.
- A Variable Strike TARF can be deleveraged.

6.30.4(a) Additional Benefits of Leveraged Variable Strike TARF

- An ability to achieve an Enhanced Rate or more Target Bucket Points relative to a Variable Strike TARF without a Leverage Ratio.

Variable Strike TARF and Leveraged Variable Strike TARF Continued

6.30.5 Risks of Variable Strike TARF	6.30.5(a) Additional Risks of Leveraged Variable Strike TARF
• Once the Target Bucket has been redeemed, there is no further protection. This may occur before the final Fixing Date, which will mean that the Notional Amount traded at the Enhanced Rate will be less than the maximum Notional Amount. Consequently, you may need to trade at a less favourable Spot Rate. • If the Fixing Rate is more favourable than the Enhanced Rate on a Fixing Date (and the Target Bucket has not been redeemed) you will be obligated to trade at the less favourable Enhanced Rate. • Due to the variation in the Enhanced Rates across the Fixing Dates, you could be obligated at less favourable Exchange Rates in the future. • A Variable Strike TARF generally has an extended Tenor compared to other Structured Option products and as a result there is a greater risk that during the term of a Variable Strike TARF the Enhanced Rate will no longer be favourable when compared to the prevailing Spot Rate.	• If the Fixing Rate is more favourable than the Enhanced Rate you will be obligated to trade a multiple of the Notional Amount determined by the Leverage Ratio, at the less favourable Enhanced Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.31 Variable Notional TARF and Leveraged Variable Notional TARF

A Variable Notional TARF is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than an Exchange Rates (the Enhanced Rate) on nominated Fixing Dates, where each Fixing Date can have a different Notional Amount (Amount). The protection on each Fixing Date will remain during an agreed term provided that an agreed level of gain (the Target Bucket) has not already been reached. WUBS expresses the Target Bucket as a number of Foreign Exchange Points (Points). Once the Target Bucket has been redeemed, the Variable Notional TARF will terminate.

6.31.1 Variable Notional TARF Example

Enhanced Rate/Strike Rate: 0.7675
Target Bucket: 1,000 Points
Fixing Frequency: monthly
Notional Amount (Amount) per fixing: See table in 6.31.3
Maximum Notional Amount: USD600,000
Fixing Date: 30th (or next valid Business Day) of each month for six months.

6.31.1(a) Leveraged Variable Notional TARF Example

Enhanced Rate/Strike Rate: 0.7750
Target Bucket: 1,000 Points
Fixing Frequency: monthly
Notional Amount (Amount)per fixing: See table below
Maximum Notional Amount: USD300,000
Leverage Ratio: 1:2
Leveraged Notional Amount (Amount) per fixing: see table in 6.31.3(a)
Maximum Leveraged Notional Amount: USD600,000
Fixing Date: 30th (or next valid Business Day) of each month for six months.

6.31.2 Outcomes at each Fixing Date (Variable Notional TARF and Leveraged Variable Notional TARF)

If the Fixing Rate is more favourable than the Enhanced Rate the importer is obligated to buy the Notional Amount or Leveraged Notional Amount at the Enhanced Rate (as applicable).

If the Fixing Rate is less favourable than the Enhanced Rate and:

- the Points remaining within the Target Bucket are equal to or exceeds the number of Points between the Fixing Rate and the Enhanced Rate, the importer will buy the Notional Amount at the Enhanced Rate and the Target Bucket Points balance will be reduced by an amount equivalent to the number of Points between the Fixing Rate and the Enhanced Rate.
- the Points balance within the Target Bucket are less than the number of Points between the Fixing Rate and the Enhanced Rate, the importer will transact at the Enhanced Rate, but the Notional Amount transacted will be reduced to account for the value of the remaining Points in the Target Bucket. As the Target Bucket is fully redeemed the Variable Notional TARF is terminated.

6.31.3 Example of Possible Outcomes at Fixing Dates

Fixing Date	Notional Amount (USD)	Enhanced Rate	Fixing Rate	Points Below	Points Used	Points Available Pre-Fix	Points Available Post-Fix	Traded Amount (USD)	Traded Rate
Month 1	150,000	0.7675	0.7450	225	225	1000	775	150,000	0.7675
Month 2	150,000	0.7675	0.7854	-179	0	775	775	150,000	0.7675
Month 3	150,000	0.7675	0.7290	385	385	775	390	150,000	0.7675
Month 4	50,000	0.7675	0.7816	-141	0	390	390	50,000	0.7675
Month 5	50,000	0.7675	0.7160	515	Remaining 390	390	0	37,864	0.7675
Month 6	50,000	0.7675	Contract was terminated at Month 5 Fixing. No further trades.						

6.31.3(a) Example of Possible Outcomes at Fixing Dates

Fixing Date	Notional Amount (USD)	Enhanced Rate	Fixing Rate	Points Below	Points Used	Points Available Pre-Fix	Points Available Post-Fix	Traded Amount (USD)	Traded Rate
Month 1	75,000	0.7750	0.7450	300	300	1000	700	75,000	0.7750
Month 2	75,000	0.7750	0.7854	-104	0	700	700	150,000	0.7750
Month 3	75,000	0.7750	0.7290	460	460	700	240	75,000	0.7750
Month 4	25,000	0.7750	0.7816	-66	0	240	240	50,000	0.7750
Month 5	25,000	0.7750	0.7490	260	Remaining 240	240	0	23,077	0.7750
Month 6	25,000	0.7750	Contract was terminated at Month 5 Fixing. No further trades.						

6.31.4 Benefits of a Variable Notional TARF

- An ability to achieve an Enhanced Rate relative to an equivalent FEC.
- The Enhanced Rate is likely to be more favourable than other products without a Leverage Ratio.
- A degree of protection is guaranteed from the outset equivalent to the number of Points in the Target Bucket.
- Greater flexibility in terms of deciding specific values for each Fixing Date to match cashflows.
- A Variable Notional TARF can be deleveraged.

6.31.4(a) Additional Benefits of Leveraged Variable Notional TARF

- An ability to achieve an Enhanced Rate or more Target Bucket Points relative to a Variable Notional TARF without a Leverage Ratio.

Variable Notional TARF and Leveraged Variable Notional TARF Continued

6.31.5 Risks of a Variable Notional TARF	6.31.5(a) Additional Risks of Leveraged Variable Notional TARF
• Once the Target Bucket has been redeemed, there is no further protection. This may occur before the final Fixing Date, which will mean that the Notional Amount traded at the Enhanced Rate will be less than the maximum Notional Amount. Consequently, you may need to trade at a less favourable Spot Rate. • If the Fixing Rate is more favourable than the Enhanced Rate on a Fixing Date (and the Target Bucket has not been redeemed) you will be obligated to trade at the less favourable Enhanced Rate. • A Variable Notional TARF generally has an extended Tenor compared to other Structured Option products and as a result there is a greater risk that during the term of a Variable Notional TARF, the Enhanced Rate will no longer be favourable when compared to the prevailing Spot Rate.	• If the Fixing Rate is more favourable than the Enhanced Rate you will be obligated to trade a multiple of the Notional Amount determined by the Leverage Ratio, at the less favourable Enhanced Rate. • Due to the Leverage Ratio, there may be less protection compared to other Structured Option products without a Leverage Ratio.

6.32 European Knock-In TARF and Leveraged European Knock-In TARF

A European Knock-In TARF is a Structured Option which allows you to protect against the risk that the Spot Rate will be less favourable than a nominated Exchange Rate (the Enhanced Rate) on certain nominated Fixing Dates during an agreed term provided that an agreed level of gain (the Target Bucket) has not already been reached. WUBS expresses the Target Bucket as a number of Foreign Exchange Points (Points). Once the Target Bucket has been redeemed, the European Knock-In TARF will terminate. The European Knock-In TARF also allows for the potential to take advantage of favourable currency movements if the Knock-In Rate is not triggered, which is determined by the Fixing Rate on the Fixing Date. If the Knock-In Rate is triggered at the Fixing Time on the Fixing Date, you will transact at the less favourable Enhanced Rate.

6.32.1 European Knock-In TARF Example

Enhanced Rate/Strike Rate: 0.7660
Knock-In Rate/Trigger Rate: 0.7950
Target Bucket: 1,000 Points
Fixing Frequency: monthly
Notional Amount (Amount) per fixing: USD100,000
Maximum Notional Amount: USD600,000
Fixing Date: 30th (or next valid Business Day) of each month for six months.

6.32.1(a) European Knock-In TARF Example

Enhanced Rate/Strike Rate: 0.7750
Knock-In Rate/Trigger Rate: 0.8050
Target Bucket: 1,000 Points
Fixing Frequency: monthly
Notional Amount (Amount) per fixing: USD50,000
Maximum Notional Amount: USD300,000
Leverage Ratio: 1:2
Leveraged Notional Amount (Amount) per fixing: USD100,000
Maximum Leveraged Notional Amount: USD600,000
Fixing Date: 30th (or next valid Business Day) of each month for six months.

6.32.2 Outcomes at each Fixing Date (European Knock-In TARF and Leveraged European Knock-In TARF)

If the Target Bucket has not been fully redeemed on a Fixing Date one of the following outcomes will occur:

- If the Knock-In Rate has been triggered, the importer is obligated to buy the Notional Amount or Leveraged Notional Amount at the Enhanced Rate (as applicable) and the Target Bucket remains unchanged.
- If the Knock-In Rate has not been triggered and the Fixing Rate is between the Enhanced Rate and the Knock-In Rate, say 0.7900, the importer can buy USD at the Spot Rate and the Target Bucket remains unchanged (although there is no obligation to do so).

If the Fixing Rate is less favourable than the Enhanced Rate and:

- the Points remaining within the Target Bucket are equal to or exceed the number of Points between the Fixing Rate and the Enhanced Rate, the importer will buy the Notional Amount at the Enhanced Rate and the Target Bucket Points balance will be reduced by an amount equivalent to the number of Points between the Fixing Rate and the Enhanced Rate.
- the Points balance within the Target Bucket are less than the number of Points between the Fixing Rate and the Enhanced Rate, the importer will transact at the Enhanced Rate, the Notional Amount transacted will be reduced to account for the value of the remaining Points in the Target Bucket. As the Target Bucket is fully redeemed, the European Knock-In TARF is terminated.

6.32.3 Example of Possible Outcomes at Fixing Dates

Fixing Date	Enhanced Rate	Knock In Rate	Fixing Rate	Knocked In:	Points Below	Points Used	Points Available Pre-Fix	Points Available Post-Fix	Traded Amount (USD)	Traded Rate
Month 1	0.7660	0.7950	0.7350	NO	310	310	1000	690	100,000	0.7660
Month 2	0.7660	0.7950	0.7972	YES	-312	0	690	690	100,000	0.7660
Month 3	0.7660	0.7950	0.7430	NO	230	230	690	460	100,000	0.7660
Month 4	0.7660	0.7950	0.7816	NO	-156	0	460	460	0	n/a
Month 5	0.7660	0.7950	0.7170	NO	490	Remaining 460	460	0	93,878	0.7660
Month 6	0.7660	0.7950	Contract was terminated at Month 5 Fixing. No further trades.							

6.32.3(a) Example of Possible Outcomes at Fixing Dates

Fixing Date	Enhanced Rate	Knock In Rate	Fixing Rate	Knocked In:	Points Below	Points Used	Points Available Pre-Fix	Points Available Post-Fix	Traded Amount (USD)	Traded Rate
Month 1	0.7750	0.8050	0.7450	NO	300	300	1000	700	50,000	0.7750
Month 2	0.7750	0.8050	0.8060	YES	-310	0	700	700	100,000	0.7750
Month 3	0.7750	0.8050	0.7530	NO	220	220	700	480	50,000	0.7750
Month 4	0.7750	0.8050	0.7900	NO	-150	0	480	480	0	n/a
Month 5	0.7750	0.8050	0.7230	NO	520	Remaining 480	480	0	46,154	0.7750
Month 6	0.7750	0.8050	Contract was terminated at Month 5 Fixing. No further trades.							

European Knock-In TARF and Leveraged European Knock-In TARF Continued

6.32.4 Benefits of a European Knock-In TARF	6.32.4(a) Additional Benefits of Leveraged European Knock-In TARF
• An ability to achieve an Enhanced Rate relative to an equivalent FEC. • Ability to participate in favourable Exchange Rate movements, provided the Knock-In Rate is not triggered by the Fixing Rate on a Fixing Date. • The Enhanced Rate is likely to be more favourable than other products without a Leverage Ratio. • A degree of protection is guaranteed from the outset equivalent to the number of Points in the Target Bucket. • Potential for no obligation when the Fixing Rate is more favourable than the Enhanced Rate and the Knock-In Rate has not been triggered.	• An ability to achieve a more favourable Enhanced Rate, Knock-In Rate or more Target Bucket Points relative to a European Knock-In TARF without a Leverage Ratio. • The Enhanced Rate is likely to be more favourable than other leveraged products.
6.32.5 Risks of a European Knock-In TARF	**6.32.5(a) Additional Risks of Leveraged European Knock-In TARF**
• Once the Target Bucket has been redeemed, there is no further protection. This may occur before the final Fixing Date, which will mean that the Notional Amount traded at the Enhanced Rate will be less than the maximum Notional Amount. Consequently, you may need to trade at a less favourable Spot Rate. • If the Fixing Rate is more favourable than the Knock-In Rate on a Fixing Date (and the Target Bucket has not been redeemed) you will be obligated to trade at the less favourable Enhanced Rate. • A European Knock-In TARF generally has an extended Tenor compared to other Structured Option products and as a result, there is a greater risk that during the term of a European Knock-In TARF the Enhanced Rate will no longer be favourable when compared to the prevailing Spot Rate.	• If the Fixing Rate is more favourable than the Knock-In Rate on the Fixing Date you will be obligated to trade a multiple of the Notional Amount, determined by the Leverage Ratio, at the less favourable Enhanced Rate. • Due to the Leverage Ratio, there may be less protection than other Structured Option products.

7. Credit Requirements for Options

When you enter into a Vanilla Option - Client Sells, a Vanilla Option - Client Sells with Triggers or a Structured Option contract with WUBS, you immediately create a liability to us (at the Trade Date, not the Expiry Date), which can increase with unfavourable market movements. Over the life of these contracts, as the Spot Rate moves, the Marked to Market value of the contract may be In-The-Money (ITM), Out-of-The-Money (OTM) or At-The-Money (ATM). That is, if the contract had to be cancelled at any time, it would result in a gain (if ITM), a loss (if OTM) or breakeven (if ATM). To manage this Market Risk WUBS may initially secure the contract by requiring you to pay an Initial Margin. During the term of the contract WUBS may also require you to pay a Margin Call to further secure your Options and other FECs you hold with us. Alternatively, WUBS may apply a Credit Limit against the Market Risk or a combination of a Credit Limit, Initial Margin and/or Margin Call.

All payments made in respect of your Options as described in this section 7 of this PDS will be applied to satisfy your payment obligation on the Expiry Date, if applicable.

7.1 Initial Margins

An Initial Margin is an amount of money that is payable to WUBS, calculated as a percentage of the Obligated Notional Amount of your Option. If you are required to pay an Initial Margin, we will notify you at the time you enter into the Option.

An Initial Margin is taken to secure WUBS potential risk exposure resulting from adverse currency movements that negatively impact the value of the funds you may be required to purchase from us. An Initial Margin is a prepayment by you of your potential payment obligations on the Expiry Date and may be applied to the Settlement of your Option if applicable. An Initial Margin is not a deposit and WUBS does not pay interest on an Initial Margin.

WUBS may determine the Initial Margin percentage at its discretion. Factors that influence this include:

- your credit standing, as assessed by WUBS;
- Currency Pair and amount you are transacting (more exotic currencies or those currencies that are not commonly exchanged may require a larger Initial Margin);
- the Expiry Date of your Option (the longer the Expiry Date from the Trade Date the higher the Initial Margin);
- foreign exchange market Volatility (Currency Pairs that are exhibiting high Volatility or lack of Liquidity may require a higher Initial Margin);
- external economic conditions (in times of economic downturn WUBS may require a higher Initial Margin); and
- the frequency with which you transact with WUBS (where your credit history with WUBS dictates the Initial Margin required).

7.2 Margin Calls

We will monitor the net Marked to Market value of all of your foreign exchange exposures with us on an ongoing basis. Should your Option(s) (and any FECs you may hold with us) move OTM in excess of the Initial Margin or your Credit Limit, or a combination of both, WUBS may secure the resulting increased risk through a Margin Call.

A Margin Call is an amount of money that you are required to pay to WUBS to reduce our risk exposure to a level acceptable to WUBS. If a Margin Call is required, WUBS will advise you immediately. In the absence of default by you of your payment obligations to WUBS, all Margin Call amounts will be applied to the Settlement of your Options contracts if applicable. A Margin Call is not a deposit and WUBS does not pay interest on a Margin Call.

Payment of a Margin Call must be made within two (2) Business Days of WUBS's request. If you fail to pay a Margin Call, WUBS may at its discretion, choose to close some or all of your Options (or any FECs if applicable) by applying the prevailing market foreign Exchange Rate. In such circumstances you will be liable to WUBS for all costs associated with terminating the relevant contracts.

7.3 Credit Limits

WUBS may choose to waive the requirement of an Initial Margin (or subsequent Margin Call), by allocating a Credit Limit. A Credit Limit is dependent upon your credit history/rating, strength of financial statements, as well as other factors determined at WUBS's sole discretion. WUBS may review and amend your Credit Limit at any time.

WUBS may apply a Credit Limit against each individual Option contract that you enter into or against your entire portfolio of Options contracts or FECs (where applicable). Please refer to the WUBS Terms and Conditions for further information on Credit Limits.

7.4 Client Money

All Initial Margin and Margin Call funds are held by us as Client Money in accordance with the Australian Client Money Rules.

Consistent with the Australian Client Money Rules, Client Money will be held separately from our money, in one or more separate trust account(s) maintained by us with an Australian Authorised Deposit-taking Institution (ADI), however, we may withdraw, deduct or apply Initial Margin and Margin Call funds in connection with margining, guaranteeing, securing, transferring or settling dealings in Foreign Exchange Contracts by us including dealings on behalf of other Clients. We may also withdraw or deduct Initial Margin and Margin Call funds where money is due and owing to us (for instance on Settlement or in the event that you default on any of your obligations to us and we close out your Option(s) and/or FECs and incur a cost in doing so) or for any other reason authorised by the Australian Client Money Rules.

This means that WUBS may make payments out of the Segregated Account in the following circumstances:

- paying WUBS money to which it is entitled. Once money withdrawn to pay WUBS is paid to WUBS, that money is WUBS's own money (and is not held for you);
- making a payment to, or in accordance with, the written direction or Instruction of a person entitled to the money;
- making a payment that is otherwise authorised by law or pursuant to the operating rules of licensed market; and
- as otherwise permitted under the WUBS Terms and Conditions or any other agreement put in place between WUBS and you.

Refer to the WUBS Terms and Conditions for further information on how we deal with Client Money.

7.5 Client Money Risk

WUBS's practice of placing Client Money in a Segregated Account will not provide you with absolute protection in all circumstances.

8. Cost of an Option

8.1 Interest

Because WUBS does not typically pay interest to you for amounts that we hold as Initial Margin or Margin Call there will be an interest cost to you if you are required to pay an Initial Margin or a Margin Call. That cost will be equivalent to the interest that you would have otherwise earned if you had held those amounts in your own bank account.

8.2 Premium

Where applicable, Premiums must be paid in cleared funds within two (2) Business Days of the Trade Date or can be deferred to a date as agreed by WUBS.

8.2.1 Vanilla Options

8.2.1.1 Vanilla Options bought

When you buy a Vanilla Option from WUBS, you will be required to pay WUBS a non-refundable Premium, in cleared funds, on the Premium Payment Date. The Confirmation will specify the Premium Payment Date agreed to by WUBS. When payment of the Premium is deferred, it is still payable. WUBS will accept Premium payments in either Australian Dollars or one of the currencies in the Vanilla Option Currency Pair.

8.2.1.2 Vanilla Options sold

When you sell a Vanilla Option to WUBS, it is important to understand that the Premium received by you may not exceed your potential losses (if any), and therefore costs, as it will depend on the extent of an unfavourable Spot Rate move and its total impact. Please also refer to section 9.1 "Benefits of Options - Vanilla Options".

8.2.1.3 Vanilla Options Premiums

WUBS sets the Premiums it offers to you in purchasing or selling a Vanilla Option by making an adjustment to the Interbank Premium it receives from its wholesale commercial relationships.

When calculating Premiums, WUBS takes into account the following variables on a transaction-by-transaction basis:

- the Currency Pair;
- the Notional Amount;
- the Strike Rate: the more favourable the Strike Rate you require, the higher the Premium that will be payable;
- the Expiry Date: the longer the time period between the Trade Date and Expiry Date, the higher the Premium that will be payable;
- current market Exchange Rates of the underlying Currency Pair;
- the interest rate differential of the countries whose currencies make up the Currency Pair;
- market Volatility and Liquidity;
- Premium Payment Date; and
- any Trigger Rates and Windows.

8.2.2 Structured Options

WUBS, in consultation with you, sets the variables associated with any Structured Option at particular levels in order to create a "No Premium" cost structure. When setting those variables, WUBS takes into account a variety of factors, similar to those used in calculating Premiums:

- the Notional Amount, the term, and any other rates applicable to a particular structure (Participation Rate, Knock-In/Out Rates etc);
- current market foreign Exchange Rates and the interest rates of the countries whose currencies are being contracted; and
- market Volatility.

Where a "No Premium" structure is created, there is no up-front Premium payable for a Structured Option. If however, you wish to nominate an improved Protection Rate or any other Exchange Rate or variable associated with a particular Structured Option, an up-front non-refundable Premium may be payable. WUBS will calculate the amount of the Premium and advise you of the amount before you enter into the transaction.

8.3 Exchange Rate

WUBS sets its Exchange Rate to you by applying a Retail Mark Up (Mark Up) to the Interbank Exchange Rate that it receives from its Hedging Counterparties. The Mark Up is how WUBS makes a profit. WUBS determines this Mark Up by taking account of a number of factors, including:

- the size of the transaction measured by Notional Amount, where the smaller the Notional Amount the larger the Mark Up may be;
- the Currency Pair where the less Liquidity in the pair the greater the Mark Up may be;
- Market Volatility where higher Volatility may result in an increased Mark Up; and
- the Time Zone you choose to trade in where if trading on public holidays or weekends may see increased Mark Ups.

8.4 Transaction Fees

You may be charged some transaction fees upon Settlement or delivery of an Option at Expiry, if this is carried out via a Telegraphic Transfer or Draft. Transaction fees for Telegraphic Transfers and Drafts are in addition to the costs detailed in this section 8 of this PDS. More information on Telegraphic Transfers or Drafts is available in "WUBS Foreign Exchange and Drafts Transactions PDS" dated 25th September 2020, located at the WUBS compliance webpage as set out in section 2.1 above.

WUBS will advise you of any transaction fees before you establish a trading relationship. WUBS may vary these fees from time to time and will provide you with notice prior to doing so.

In addition to the fees charged by WUBS for sending payments by Telegraphic Transfer, any Correspondent Bank(s), Intermediary Bank(s) or Beneficiary Bank(s) which facilitates the sending or payment of a Telegraphic Transfer may impose their own additional fees or charges which may be deducted from the amount paid to you or your beneficiary.

For more information in relation to the cost of Wire Transfers/Drafts in connection with delivery of your Option that may be applicable, contact your WUBS Representative.

9. Benefits of Options

We have described the particular benefits that attach to each Option that WUBS provides in section 6 "WUBS Options" above. In addition, the following are general key benefits of Options:

9.1 Vanilla Options

If you buy a Vanilla Option from WUBS, some benefits include:

- A Vanilla Option bought from WUBS provides protection against unfavourable movements in the Exchange Rate during the term of the Vanilla Option.
- Vanilla Options are flexible, where the Strike Rate, Trigger Rates, Expiry Date and Notional Amount can be tailored to your needs.
- Unless you Exercise your Vanilla Option, you are not committed to exchange currencies on the Expiry Date.

When you sell a Vanilla Option to WUBS, you will be receiving from WUBS a non-refundable Premium, in cleared funds, payable within two (2) Business Days of the Trade Date. WUBS will pay the Premium in either Australian Dollars or one of the currencies in the Vanilla Option Currency Pair. However, it is important to understand that if you sell a Vanilla Option to WUBS, the Premium received by you may not exceed your potential losses (if any), and therefore costs, as it will depend on the extent of the extent of an unfavourable Spot Rate move and its total impact.

If you sell a Vanilla Option to WUBS, some benefits include:

- The Premium is paid to you upfront.
- The Premium to be received is known at the time the Vanilla Option is entered into.
- The Premium received can be used to offset a potentially unfavourable move in Exchange Rates.

9.2 Structured Options

- Structured Options help you manage some of the risks inherent in currency markets by predetermining the Exchange Rate and Value Date on which you will purchase or sell a given amount of foreign currency against another currency. This can provide you with protection against unfavourable foreign Exchange Rate movements between the Trade Date and the Value Date. This may also assist you in managing your cash flow by negating the uncertainty associated with Exchange Rate fluctuations for the certainty of a specified cash flow.
- Structured Options are flexible. Value Dates and Notional Amounts can be tailored to meet your requirements. You may have additional flexibility to participate in certain favourable Exchange Rate movements and may be able to achieve an enhanced Exchange Rate comparable to the equivalent Forward Exchange Rate depending on the Structured Option that you enter.

10. Risks of Options

We have described the particular risks that attach to each Option that WUBS provides in section 6 "WUBS Options" above. In addition, the following are general risks of Options:

- **Market Volatility.** The foreign exchange markets in which WUBS operates are OTC and can change rapidly. These markets are speculative and volatile with the risk that prices will move quickly. When this occurs the value of your Option may be significantly less that than when you entered into the contract. WUBS cannot guarantee that you will not make losses (where your Option is OTM), or that any unrealised profit or losses will remain unchanged for the term of the Option. You need to monitor your Options with WUBS carefully providing WUBS with Instructions before potentially unacceptable losses occur.
- **Issuer Risk.** When you enter into an Option you are relying on WUBS's financial ability as Issuer to be able to perform its obligations to you. As a result, you are exposed to the risk that WUBS becomes insolvent and is unable to meet its obligations to you under an Option. To assess our financial ability to meet our obligations to you, you can obtain a copy of our financial statements, free of charge by emailing corphedgingAPAC@westernunion.com.
- **Counterparty Risk**. There is also a risk that the Hedging Counterparties with whom WUBS contracts to mitigate its exposure when acting as principal to the Options (by taking related offsetting or mitigating positions) may not be able to meet their contractual obligations to WUBS. This means that WUBS could be exposed to the insolvency of its Hedging Counterparties and to defaults by Hedging Counterparties. If a Hedging Counterparty is insolvent or defaults on its obligations to WUBS, then this could give rise to a risk that WUBS defaults on its obligations to you.
- **Amendments/Cancellations**. Pre-deliveries or the close-out/cancellation of an Option may result in a financial loss to you. WUBS will provide a quote for such services based on market conditions prevailing at the time of your request.
- **Cooling-off**. There is no cooling-off period. This means that once your Instruction to enter into an Option has been accepted by WUBS you are unable to cancel your Option without risk of incurring a cost.
- **Default Risk**. In accordance with the Terms and Conditions, if you fail to pay the Premium on the Premium Payment Date, WUBS is not obliged to accept Exercise and may terminate a Vanilla Option and recover all costs and expenses incurred in connection with the Vanilla Option, including payment of the Premium, which shall remain due and payable as a debt. If you fail to pay an Initial Margin or a Margin Call in accordance with the Terms and Conditions or fail to provide Settlement on the Value Date, we may terminate your Option. In such event, you will be liable for all costs that we incur including the payment of any OTM position that exists with respect to your Option.

- **Conflicts of interest**. WUBS enters into transactions with a number of different Clients and Hedging Counterparties that may be in conflict with your interests under the Option(s) you have entered into with us. WUBS is not required to prioritise your interests when dealing in Options with you.
- **Trigger Rate Risk**. For Options that have a Trigger Rate, there is the risk that the Option or part of the strategy may not exist at Expiry because a Trigger Rate has been triggered (in the case of a Knock-Out Rate) or not triggered (in the case of a Knock-In Rate). There is the additional risk that you could lose your level of protection if your Option or part of the strategy ceases to exist due to a Knock-Out Rate being triggered.
- **Additional “Vanilla Options – Client Sells” Risks.** The following general risks are particular to “Vanilla Options – Client Sells” and are in addition to the other risks mentioned in this section 10 of this PDS:
  - **There may be no protection**: The sale of a Vanilla Option to WUBS is not designed to provide protection against an unfavourable movement in the relevant currency. If the Spot Rate at expiry is more favourable to WUBS than the Strike Rate, WUBS will Exercise the Vanilla Option and you will be obligated to exchange currencies at an Exchange Rate that is unfavourable to you. The Premium received by you is designed to be used to potentially offset any potential unfavourable moves in the Spot Rate that may occur. However, the Premium received may not be enough to offset the total impact of the unfavourable Spot Rate at the Expiry Date.
  - **Delivery of currency**: If WUBS exercises the Vanilla Option, you are obligated to deliver your currency to WUBS at the Strike Rate, which will be at an Exchange Rate that is unfavourable to you. Furthermore, if WUBS exercises the Vanilla Option and you do not have the currency you are required to deliver, you will need to purchase it at the unfavourable Exchange Rate, in order to meet your obligations.
  - **Unknown liability**: If you have to purchase currency at an unfavourable Exchange Rate to meet your obligations this will result in a cost to you. This cost is potentially unknown.

11. Orders, Instructions, Confirmations and Telephone Conversations

The commercial terms of a particular Option will be agreed and binding from the time your Instructions are received and accepted by us. This may occur verbally over the phone, electronically or in any other manner set out in our Terms and Conditions.

Shortly after entering into an Option, we will send you a Confirmation outlining the agreed commercial terms of the transaction. This Confirmation is intended to reflect the transaction that you have entered into with WUBS. It is important that you check the Confirmation to make sure that it accurately records the terms of the transaction. You should note however, that there is no cooling-off period with respect to Options and that you will be bound once your original Instruction has been accepted by WUBS regardless of whether you sign or acknowledge a Confirmation. In the event that there is a discrepancy between your understanding of the Option and the Confirmation, it is important that you raise this with WUBS as a matter of urgency.

Conversations with our dealing room are recorded in accordance with standard market practice. We do this to ensure that we have complete records of the details of all transactions. Recorded conversations are retained for a limited time and are usually used when there is a dispute and for staff monitoring purposes. If you do not wish to be recorded, you will need to inform your WUBS Representative. WUBS will not enter into any transaction over the telephone unless the conversation is recorded.

Further Information about WUBS’s privacy practices are set out at section 15 “Privacy”.

12. Terms and Conditions and Other Documentation

12.1 Terms and Conditions

Each Option contract you enter into will be subject to the Terms and Conditions. You will be required to sign these before entering into an Option contract with us for the first time.

The Terms and Conditions are a master agreement and set out all of the terms of the relationship between you and WUBS that are applicable to the Options described in this PDS.

The Terms and Conditions are important, and you should read them carefully before entering into any Option. They cover a number of important terms including how transactions are executed, our respective rights and obligations, events of default and rights of termination.

We recommend that you seek your own professional advice in order to fully understand the consequences of entering into Options.

12.2 Other Information

In addition to our Terms and Conditions you will also need to provide us with the following signed documentation together with such other "Know Your Customer" information (including credit related information or information relevant to AML/CTF) that WUBS may require including as applicable:

- "Vanilla Options Declaration" (see section 6.3)
- "Target Accrual Redemption Forward (TARF) Declaration" (see section 6.27)
- Direct Debit Request form.

Note that WUBS may also require you to provide other declaration forms to confirm your understanding of certain products.

Copies of forms can be obtained by contacting your WUBS Representative.

After your application has been accepted you may apply for an Option contract in accordance with the Terms and Conditions.

13. Dispute Resolution

You should address any complaint relating to the Options described in this PDS to your WUBS Representative in the first instance.

If your complaint is unable to be resolved the matter will be automatically escalated to the relevant business unit manager. If a resolution is not reached within a reasonable time period, the matter will be further escalated to the WUBS Compliance Manager who will refer the matter to Senior Management for resolution.

All complaints are logged at each stage of the process. WUBS's internal disputes resolution processes requires us to investigate and provide a resolution to you within thirty (30) calendar days from you first making the complaint. WUBS takes complaints seriously and strives to ensure efficient and fair resolution.

If you have any enquiries about our dispute resolution process, please contact your WUBS Representative using the contact details in section 3.1 "WUBS Contact Details" of this PDS.

If you are dissatisfied with the resolution of a complaint you have the right to refer the complaint to:

Australian Financial Complaints Authority ("**AFCA**")

Online: www.afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678 (free call)
Mail: Australian Financial Complaints Authority
GPO Box 3 Melbourne VIC 3001
AFCA operates an independent dispute resolution scheme.

14. Taxation

Taxation law is complex, and its application will depend on a person's individual circumstances. When determining whether or not Options are suitable for you, you should consider the impact it will have on your own taxation position and seek professional advice on the tax implications Options may have for you.

15. Privacy

In the course of transacting Options, we will collect information about you. The information that we obtain from you or other people associated with your request is for the purpose of providing you the services you have asked for, including processing your Options, compliance and legal duties, administration and to help validate your details. Certain information may be required by us in order to comply with laws and regulations, including the AML/CTF Act and taxation laws. If you do not provide the required information, WUBS may be unable to provide you with the requested services. We may disclose your personal information: (i) if we are required to do so by domestic or foreign law or legal process or (ii) to law enforcement authorities or other government officials (including those in this country, the United States or elsewhere) for purposes such as detecting, investigating, prosecuting and preventing crimes, including money laundering and related criminal activity, and the recipients may further disclose the information for these and other related purposes.

We may use your information to send you details about WUBS products and services. If you do not wish to receive such information, please notify us. We may also disclose information about you to third party service providers (such as credit checking agencies), including to countries other than the country in which the information was originally collected or created, who assist us in our business operations and service provision, including the United States for the purposes described in this document.

You have a right to ask us for a copy of your information. You can also ask us to correct, erase or limit our use of your information which is incomplete, inaccurate or out of date.

WUBS is committed to complying with all privacy laws and regulations. Further information about WUBS's privacy practices can be found at https://secure.westernunion.com/docs/privacy/wubsglobal/en-au.pdf?download=false.

If you would like further information about the way that WUBS handles your personal information, or you wish to exercise your rights, please contact our privacy officer:

Email: wubsprivacy@westernunion.com

Mail: Attention Privacy Officer

Level 12, 1 Margaret Street, Sydney, NSW 2000 Australia

Call: 1300 732 561 (Australia Only) or +61 2 8585 7000

16. Glossary of Terms

AML/CTF means Anti-Money Laundering and Counter-Terrorism Financing.

AML/CTF Act means the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) and related regulations.

At-The-Money or **ATM** means for the purposes of Options, where the current market value of the Option contract is the same as the current entry level value.

AUD means Australian Dollar.

Australian Client Money Rules means all laws and regulations applicable to Client Money including but not limited to Part 7.8 of the Corporations Act and the Corporations Regulations that specify the manner in which financial services licensees are to deal with Client Money.

Authorised Deposit-taking Institution or **ADI** means a corporation which is authorised under the Banking Act 1959 to take deposits from customers.

Authorised Exchange Dealers are any type of financial institution that has received authorisation from a relevant regulatory body to act as a dealer involved with the trading of foreign currencies.

Beneficiary Bank means the bank identified in a payment order in which an account for the beneficiary is to be credited pursuant to the order.

Business Day means a day that banks are open for business in Sydney, Australia, but does not include a Saturday, Sunday or public holiday.

Call Option means an agreement that gives a Client the right (but not the obligation) to buy a currency at a specified price at a specific time.

Client Money means money paid to which Subdivision A in Division 2 of Part 7.8 of the Corporations Act 2001 (Cth) applies pursuant to section 981A of the Corporations Act.

Confirmation means written or electronic correspondence from WUBS that sets out the agreed commercial details of an Option.

Correspondent Bank means a financial institution that performs services for WUBS in connection with Telegraphic Transfers or Drafts provided by WUBS.

Counterparty(s) means each party to a contract.

Credit Limit means a Client facility provided by WUBS, at its sole discretion, for transacting in Foreign Exchange Contracts without the need for providing Initial Margin at the Trade Date.

Currency Pair means the currency that is bought and the currency that is sold in a Foreign Exchange Contract.

Customer or **Client** means the entity or person who signs WUBS's Terms and Conditions.

Direct Debit Request is a type of pre-authorised payment under which a Client authorises its bank to pay amounts to WUBS for Settlement of Option(s) obligations.

Draft is a written order to pay a specified sum issued by or through WUBS.

Enhanced Rate is an alternative term for Strike Rate and is the Exchange Rate applicable to a Structured Option that is typically more favourable than the equivalent Forward Exchange Rate or comparable Structured Option without a Leverage Ratio Exchange Rates on the Expiry Date.

Exchange Rate is the value of one currency for the purpose of conversion to another.

Exercise means an election by the buyer of a Put Option or Call Option to buy or sell currency (as applicable) at the Strike Rate on the Expiry Date.

Exercise Notice means an Instruction by the buyer of an Option to the seller of the Option of its intent to Exercise.

Expiry Date or **Expiry** means the date on which an Option expires.

Expiry Time is the time of day on the Expiry Date that an Option expires.

Extendible Amount means the predetermined AUD or foreign currency amount to be bought or sold on the second Expiry Date of a Leveraged Extendible Forward, as outlined in section 6.18 of this PDS.

Financial Services Guide or **FSG** is a document designed to assist you in deciding whether to use any of the financial services offered by WUBS.

Fixing Date means the date on which the Fixing Rate is applied to a TARF.

Fixing Frequency is the unit of time between Fixing Dates which could be daily, weekly or monthly in connection with a TARF.

Fixing Rate means the Spot Rate applicable to a TARF on the Fixing Date.

Foreign Exchange Contract is a legally binding agreement between the Client and WUBS to effect a foreign exchange transaction including a Forward Exchange Contract or an Option Contract in accordance with any Instructions.

Foreign Exchange Points or **Points** means the smallest pricing movement that can occur between a given currency pair.

Forward Exchange Contract or **FEC** is a legally binding agreement between a Client and WUBS to exchange one currency for another at an agreed Exchange Rate on a Value Date more than two (2) Business Days after the Trade Date.

Forward Exchange Rate is the Exchange Rate at which WUBS agrees to exchange one currency for another at a future date when it enters into a FEC.

Guaranteed Fixings means the number of fixings applicable to a TARF Guaranteed Count (as outlined in section 6.29 of this PDS) that will occur on the Fixing Date if the Fixing Rate is less favourable than the Enhanced Rate.

Hedging Counterparties are the parties with whom WUBS contracts to mitigate its exposure when acting as principal to Options by taking related offsetting or mitigating positions.

Initial Margin means an amount of money which shall be determined by WUBS in its sole discretion and deposited with WUBS as Client Money in connection with a Structured Option or a sold Vanilla Option.

Instructions is a request by a Client for WUBS to provide financial products, including any request for services, including any request for services made by mail, electronic mail, telephone, or other means which request may be accepted or rejected in WUBS's absolute discretion.

Interbank Exchange Rate means the wholesale Spot Rate that WUBS receives from the foreign exchange Interbank Market.

Interbank Market means the wholesale markets for transacting in foreign exchange restricted to Authorised Exchange Dealers and banks.

Interbank Premium means the wholesale premium that WUBS receives (or pays) from (or to) the foreign exchange Interbank Market.

Intermediary Bank is any bank through which a payment must go to reach the Beneficiary Bank.

In-The-Money or **ITM** means for the purposes of Options, where the current market value of the Option contract is positive.

Issuer has the meaning of s 761E of the *Corporations Act 2001* (Cth) and in this PDS is WUBS.

Knock-In Rate (or **Trigger Rate**, if the context requires) means, where applicable, the Exchange Rate that must be traded at or through in the spot foreign exchange market before the Expiry Time for the buyer's right pursuant to a Call Option or Put Option to become effective.

Knock-Out Rate (or **Trigger Rate**, if the context requires) means, where applicable, the Exchange Rate that must be traded at or through in the spot foreign exchange market before the Expiry Time for the buyer's right pursuant to a Call Option or Put Option to terminate.

Leverage Ratio means the multiple used to increase the Notional Amount obligation at Expiry of a Leveraged Structured Option.

Leveraged Notional Amount (or **Amount**, if the context requires) is the Notional Amount multiplied by the Leverage Ratio.

Leveraged Structured Option means any Structured Option that includes a Leverage Ratio.

Limit Amount means the Notional Amount applied to a Limit Rate for a Tracker or Accelerator Structured Option (as outlined in sections 6.22 and 6.6 of this PDS).

Limit Rate is an alternative term for Strike Rate and means the Exchange Rate that determines if improvements to the Protection Rate apply, due to favourable movement in the Spot Rate, for a Tracker or Accelerator Structured Option (as outlined in sections 6.22 and 6.6 of this PDS).

Liquidity is the ability to buy or sell a Currency Pair without a real effect on the price.

Margin Call is an additional payment required by WUBS as security in connection with a Structured Option or a sold Vanilla Option.

Marked to Market refers to the market value of an Option prior to the Expiry Date.

Market Risk means the risk of adverse movements in the value of an Option transaction due to movements in related Options variables over time.

Maximum Leveraged Notional Amount is the Maximum Notional Amount multiplied by the Leverage Ratio.

Maximum Notional Amount means the predetermined total AUD or foreign currency amount to be bought or sold during the term of a TARF (as outlined in section 6.27 of this PDS).

Notional Amount (or **Amount**, if the context requires) means the predetermined AUD or foreign currency amount to be bought or sold pursuant to an Option.

Obligation Percentage is a percentage of the Notional Amount that may become obligated in a Structured Option.

Option means individually and together, the options products described in section 6 of this PDS including Vanilla Options, Call Options, Put Options, and/or Structured Options (including Leveraged Structured Options), as the context requires.

Out-of-The-Money or **OTM** means for the purposes of Options, where the current market value of the Option contract is negative.

Over-The-Counter Market or **OTC** is a decentralised market, without a central physical location, where market participants trade with one another through various communication modes.

Participation Rate is an alternative term for Strike Rate and means the most advantageous Exchange Rate that can potentially be achieved in a Structured Option as agreed by WUBS and you.

PDS means Product Disclosure Statement.

Premium means, where applicable, the amount that is payable by you to WUBS on the Premium Payment Date of an Option.

Premium Payment Date means the date set out in the Confirmation when a Premium for an Option is to be paid.

Protection Rate is an alternative term for Strike Rate and means the worst-case Exchange Rate that can be achieved in a Structured Option as agreed by WUBS and you.

Put Option means an agreement that gives the buyer the right (but not the obligation) to sell a currency at a specified price at a specific time.

Reset Rate is an alternative term for Strike Rate and means the Exchange Rate that will apply to the exchange of a Currency Pair where an applicable Knock-In or Knock-Out Rate has been triggered in certain Structured Options.

Retail Mark Up or **Mark Up** is an amount added to the Interbank Exchange Rate to obtain the Retail Price.

Retail Price means the sum of the Interbank Exchange Rate and Retail Mark Up.

Segregated Account is a bank account maintained by WUBS to keep Client Money separate from WUBS money.

Senior Management means a group of high level executives, determined by WUBS from time to time, that actively participate in the daily supervision, planning and administrative processes.

Settlement is the total amount, including the cost of currency acquisition as well as any fees and charges, the Client owes to WUBS.

Spot Rate means the Exchange Rate for Settlement on a Value Date of up to two (2) Business Days from the date the transaction was entered.

Strike Rate means the Exchange Rate that will apply to the purchase or sale of currency when a buyer Exercises its right under a Put Option or Call Option. The Strike Rate may be referred to using other defined terms in this PDS including, the Protection Rate, the Enhanced Rate, the Reset Rate, the Participation Rate, the Limit Rate or the Variation Rate (as the context requires).

Structured Options means an agreement to exchange a specified amount of one currency for another currency at a foreign Exchange Rate created through the concurrent sale and purchase of two or more Call Options and/or Put Options as described in section 5.2 of this PDS.

Target Bucket means the maximum number of Points available to be redeemed during the term of a TARF.

Telegraphic Transfer is an electronic way of transferring funds overseas.

Tenor is the period of time from the Trade Date of an Option to the Expiry Date of that Option.

Terms and Conditions means the Western Union Business Solutions (Australia) Pty Limited Terms and Conditions, as amended from time to time and located at the WUBS compliance webpage as set out in section 2.1 of this PDS.

Time Zone is any one of the world's 24 divisions that has its own time.

Trade Date is the day you and WUBS agree to an Option.

Trigger Rate means a Knock-In Rate or Knock-Out Rate as applicable.

USD means United States Dollars.

Value Date is the day where payment for currency is made.

Vanilla Options means a Call Option or Put Option that has standardised terms and no special or unusual features as described in this PDS.

Variation Amount means the Notional Amount applied to a Variation Rate for a Capped Forward, a Capped Forward with Protection or a Seagull Structured Option.

Variation Rate is an alternative term for Strike Rate and means the Exchange Rate that determines if deterioration to the Protection Rate or Enhanced Rate, due to unfavourable movements in the Spot Rate, can be applied to a Capped Forward, a Capped Forward with Protection and Seagull Structured Options.

Volatility is a measure of the frequency and extent of movements in related Options variables.

Window has the meaning set forth in section 5.3 of this PDS.

WUBS is Western Union Business Solutions (Australia) Pty Limited ABN 24 150 129 749, AFSL Number 404092.

WUBS Compliance Manager means a senior member of the compliance department who actively participates in the daily supervision, planning and administrative processes of the compliance function.

WUBS Representative means a person designated to act on behalf of WUBS in the provision of financial services, specifically Foreign Exchange Contracts.

Business Solutions