

Leveraged Extendible Forward

Purpose

This document provides you with key information about this product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product Name	Leveraged Extendible Forward
Manufacturer	Western Union International Bank GmbH (WUIB)
Website	https://business.westernunion.com/it-it/
Contact Information	06 87410440
Regulator	Banca d'Italia/Consob/Financial Markets Authority (Austria)
Document Date	16/03/2021

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

What is this Product?

Type An over-the-counter (OTC) foreign exchange derivative structure - Leveraged Extendible Forward

Description: A Leveraged Extendible works in much the same way as the standard product. It provides a guaranteed worst-case rate at which to deal the Protected Amount for an initial guaranteed expiry or expiries with the potential for a further expiry or expiries to knock in if the barrier rate is observed – usually on the expiry date of the guaranteed options. However, in order to make the Enhanced Rate more advantageous at the outset, the buyer agrees that, under given circumstances, they will be obligated to deal a larger Leveraged Amount on a given Expiry Date if the Spot Rate exceeds the Enhanced Rate. The Leveraged Amount is typically twice as much as the Protected Amount but can be a lower multiple. This can be structured either as a series of Ratio Options (see) knocking into a further series of Ratio Options, or a series of non-leveraged guaranteed expiries potentially knocking in to a further series of expiries for a larger notional amount.

A Leveraged extendible forward is structured by entering into four concurrent options. In the first you buy a Put Option from WUIB which will give you the right, but no obligation to sell the Contracted notional sum to WUIB at the Enhanced Rate. In the second you sell a Call Option to WUIB, also at the Enhanced Rate, which obligates you to deal at the Enhanced Rate if the Spot Rate is more favourable at the Expiry Time. The third and fourth options are a further Put and Call with a later Expiry Date, this time subject to a knock in barrier which will be observed at the expiry of the first two. These options remain dormant and cannot be exercised unless the underlying Spot Rate trades at or beyond the barrier at the Knock In Rate on the Expiry Date of the first options. If the market is not trading at or beyond the Knock In rate on the Expiry date of the first options, the second options cease to exist.

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

Protection Rate	1,2135	Protected Amount	EUR 10000,
		Leveraged Amount	EUR 20000,
Knock In Barrier	1,2135	Expiry	16/03/2022

Intended Retail Investor This product is suitable for any corporate customer that has some prior experience of hedging currency risk, using either forwards or options, who wants to protect against downside risk without forgoing the ability to participate so some degree in favourable rate moves.

Term This Document assumes a term of 6 months, a typical duration for this structure type; however, the term of the contract will be agreed with you when entering into the deal. Once agreed, the buyer retains the right to request cancellation of the contract prior to expiry on demand, although this will incur a cost (see below). Western Union reserves the right to terminate the contract only in circumstances where the buyer is in breach of the contract terms, or becomes insolvent.

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



Lower Risk

Higher Risk

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

The Summary Risk Indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future market performance at a very high level, and poor market conditions are very likely to impact the capacity to pay you.

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

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

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

Nominal Amount EUR 10000,

Scenarios		12 months (Recommended Holding Period)
Stress Scenario	What you might get back or pay after costs	EUR -2607,322
	Percentage return/loss over nominal amount	-26%
Unfavourable Scenario	What you might get back or pay after costs	EUR -869,107
	Percentage return/loss over nominal amount	-9%
Moderate Scenario	What you might get back or pay after costs	EUR 1099,825
	Percentage return/loss over nominal amount	11%
Favourable Scenario	What you might get back or pay after costs	EUR 1179,107
	Percentage return/loss over nominal amount	12%

The table shows the money you could get back or pay over the next 12 months (Recommended Holding Period), under different scenarios, assuming a nominal value of EUR 10000,.

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

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

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

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

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

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

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

