

# Key information document

## Daily options PUT on major equity indices CFD

### Purpose

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

**Name of product: Daily option PUT on CFD with major equity indices as underlying asset.** This product is negotiated on several underlying, with different deadlines and strikes and with liquidation by monetary differential.

Product offered by: FinecoBank S.p.A.

website: [www.finecobank.com](http://www.finecobank.com)

Competent Authority: Commissione Nazionale per le Società e la Borsa (CONSOB)

For further information, call: 0800 640 6465

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

### What is this product?

#### Type:

Daily PUT option on CFD with major equity indices as underlying asset (hereinafter also "Daily option") is a derivative financial instrument of the options category, having as underlying a CFD on one of the following equity indices: FTSE100, CAC40, DAX30, DJIA, S&P500, NASDAQ and EUROSTOXX50.

Daily options are OTC derivatives, meaning that they are traded outside regulated markets directly between the parties (the Customer as the buyer and the Bank as the seller) without involving a clearing house. Taking a contract means that the investor opens a long position

#### Objectives:

A Daily PUT option on CFD with equity indices as underlying asset is a derivative contract that gives the buyer the right, but not the obligation, to sell a predetermined quantity of a financial or real asset (Underlying asset) at a pre-determined price (Strike price), at a pre-determined future date (Expiry date). In order to acquire this right, the buyer pays a sum (Premium). The expiration date fixed for the Daily options is the end of the day (End of service) in which it was purchased. This Product creates a leveraged exposure to the changes of the Underlying value. The purpose of the Daily option is the benefit of the economic effect deriving from the price variation of the underlying CFD. When you purchase a Daily PUT option, the customer assumes a downward position of the underlying CFD value. The Daily options are traded of the currency of the current account of settlement of the customer (in GBP for the UK customers, and in Euro for the Italian customers). At the bid/ask prices of the underlying of the daily option, regardless of the relative trading currency, a fixed exchange rate of 1:1 is applied, compared to the trading currency of daily option that mitigates the exchange risk. If the customer maintains the contract until The end of the service, thus not making the sale on its own initiative within the same day of purchase, for every Daily option held, the exercise of the right will be automatically carried out and, consequently, the Automatic closure of the position. The exercise does not provide for the physical delivery of the underlying option, but the "differential payment", in accordance with the following modalities:

- If the option is "In the Money" (when the Strike is less than the current value of the underlying): the Purchaser shall cash the Differential from the seller;
- If the option is "At the money" or "Out of the Money" (when the Strike is equal to or greater than the current value of the underlying): the purchaser does not cash any differential and matures a loss equal to the Premium paid.

The profit of the purchaser, net of the premium and the total costs incurred, corresponds to the Differential. This is equal to the product between the quantity (lots), the Multiplier and the value greater between zero and the difference, multiplied by the Multiplier at the price, between the value of the closing price of the underlying CFD (represents the value of the underlying at maturity and is calculated on The basis of predefined rules by the bank) and the option Strike; The Differential is calculated by applying to the closing price of the underlying CFD and to the Strike, in case they are denominated in currency other than the current currency, the foreign currency exchange/ current currency = 1:1. In case of sale by the customer before the end of the service, the profit or loss realized is determined by the difference between the sale price (grossed premium) and the purchase price (paid premium).

The prices of the daily options are determined taking into account the price of the underlying CFD, the Strike price, the maturity, the daily volatility of the underlying activity and the multiplier at the price (multiplication factor applied to the quotations of some underlying CFDs, whose quotation is expressed in decimals, to allow the negotiation of the Daily options with prizes expressed in whole numbers; such Factor is also applied to the closing price and the Strike used for the determination of the Differential), applying a Spread time-to-time set by the bank and different for each underlying; in the event that the Daily option has the underlying instruments traded in a currency other than the Daily option's trading currency, the price of the underlying and the Strike will be expressed in the Daily option's trading currency assuming a other currency/Daily option's trading currency fix exchange ratio = 1:1. There is no recommended holding period for this product since such instruments are intended for short-term trading.

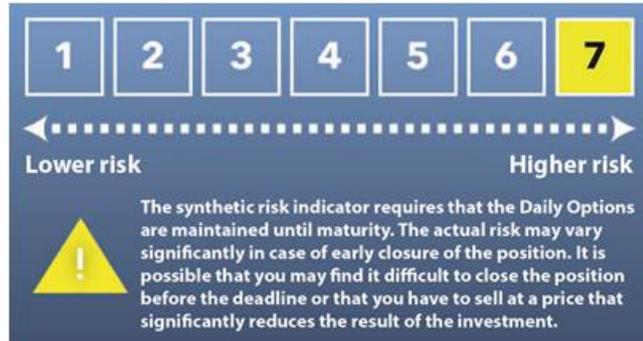
### Intended retail investor:

Daily options are intended for investors who have knowledge of, or are experienced with, leveraged product. Likely investors must understand how the prices of Daily options are derived, that the purchase of the Daily option implies a maximum loss equal to the paid premium and a potentially unlimited profit. Indeed, they will understand the risk-reward profile of the product that could result in potential returns and risks higher than those that would be obtained by directly negotiating the underlying asset. Investors will also have appropriate financial means and the ability to bear losses in excess of the initial amount invested.

## What are the potential risks and returns?

### Risk indicator

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of market movements or because FinecoBank is not able to pay you.



We have classified this product as 7 out of 7, which is the highest risk. The maximum possible loss for the buyer of this product is equal to the Premium paid.

Daily option positions involve a high degree of risk as they are instruments with leverage effect.

These instruments allow the investor to purchase or sell financial assets for more than the capital he owns and to benefit from the leverage effect of a higher potential yield than that resulting from an investment Directed in the below.

For example, those who buy a Daily option acquire, in the face of payment of a limited amount (Premium), the right to sell (put) of an

amount of financial instruments of a higher entity. In particular, the Daily options allow the investor to benefit from the leverage on the position assumed: with a low investment, corresponding to the cost of the option, you can achieve greater participation in the performance of the underlying activity, with regard to the assumption, on equal investment, of a similar position on the underlying market.

If FinecoBank is not able to pay you what is owed, you could lose your entire investment. However, you may benefit from a consumer protection scheme (see the section entitled "What happens if we are unable to pay you"). The indicator shown above does not consider this protection.

### Performance scenarios

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other product. The scenarios presented are an estimate of future performance based on the assumptions bring back below and the change in price depending on the historical volatility of the underlying and are not an exact indicator.

The scenarios are valued in the trading currency.

The outcome of the operation will depend on the market trend and the time period for which the Daily option is maintained. Under the following assumptions:

- the selected strike is the first out of the money proposed compared to the opening price of the underlying,
- the position is kept until expiry (end of contract),
- the multiplier at the price applies only to the differences between the prices of the underlying (= the premium has already been changed)

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where FinecoBank is not able to pay you. Since there is no recommended detention period and the daily options are intended for short-term trading, to run the scenarios and the solicitation scenario with "Subintervals" in the case of intraday operations, it was deemed necessary Use a segmentation of the day in multiple returns using sampled returns every 2 hours. The figures shown include all the costs of the product itself. The figures do not take into account your personal tax situation, which may also affect how much you get back.

The following assumptions have been used to create the scenarios in Table 1:

Daily PUT option on major equity indices CFD	
Underlying opening price	12379
Multiplier	2
Premium	44
Strike	12370
Trade size (lots)	1
Multiplier at price	1
Holding period	14 hours
Currency	GBP
Underlying CFD	Germany30 Index

Table 1:

PUT Performance Scenario	Underlying closing price	Var% price over the underlying	Var% price versus premium	Profit/loss
Favorevole	12.263,2	-0,94%	385%	169,6
Moderato	12.379,1	0,00%	-100%	-44
Sfavorevole	12.497,0	0,95%	-100%	-44
Stress	12.926,3	4,42%	-100%	-44

### What happens if FinecoBank is unable to pay out?

If Fineco is insolvent and unable to meet its financial obligations to you, you may lose the entire value of your investment and do not receive any profit. Fineco participates in the Fondo Nazionale di Garanzia (National Compensation Fund) which, as set out in its regulations, compensates investors who are unable to recover all or part of the money and/or financial instruments or the value there of due in relation to investment services and activities. The compensation scheme, available to investors on request, covers eligible investments up to EUR 20,000.00 and is commensurate with the sum of liabilities. See [www.fondonazionaledigaranzia.it](http://www.fondonazionaledigaranzia.it) for further information.

### What are the costs?

#### Composition of costs

The table below shows:

- The impact of the different types of costs on the possible return on investment at the end of the recommended detention period,
- The meaning of the different cost categories.

One-off Costs	Entry costs	Spread: Measure of the differential applied by the bank at the average price of the underlying CFD to determine the Daily option's bid/ask prices at the opening of the contract. The updated, time-applied measure is indicated in the reserved area of the Fineco site	Max 14 index points	The impact of the costs already included in the opening price of the Daily option. This is the most you will pay, and you could pay less.
	Exit costs	Spread: Measure of the differential applied by the bank at the average price of the underlying CFD to determine the Daily option's bid/ask prices at the closing of the contract. The updated, time-applied measure is indicated in the reserved area of the Fineco site	Max 14 index points	The impact of the costs already included in the closing price of the Daily option. This is the most you will pay, and you could pay less.

### How long should I hold it? Can I take money out earlier?

There is no recommended holding period. Daily Options are intended for short term trading. You can close positions at any time of the day when the Daily option has been opened without fees/commissions for closing the positions.

### How can I complain?

If you wish to make a complaint, you should contact the Bank in writing, by sending a written notice to FinecoBank S.p.A. – Complaints Office, Piazza Durante 11, 20131 Milan – or by emailing [complaints@finecobank.com](mailto:complaints@finecobank.com). The Bank will provide you with a response within 8 weeks of receiving the complaint. If you do not receive a response within that time or do not feel that your complaint has been resolved satisfactorily, you may refer your complaint to the Financial Ombudsman Service (FOS). See [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) for further information.

### Other relevant information

Further information can be found on the homepage of the Internet website [www.finecobank.com](http://www.finecobank.com) in the Transparency and Help sections. Terms and conditions of the product are available in the Product details annexed to the Derivatives trading contract supplemental contract for derivatives trading services to be subscribed mandatory.