

### 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, potential gains and losses of this product and to help you compare it with other products.

### Name of product: CFD LOGOS or CFD LOGOS DAY on futures on Indices major (contract for difference with futures on Indices major as an underlying)

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: 800.92.92.92

This document was created on 6 September 2019



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

### What is this product?

#### Type:

The CFD LOGOS on futures on indices major is a derivative financial instrument whose price is directly linked to the future on a major share index (major indices include on of: FTSE100, CAC40, DAX30, DJIA, S&P500, NASDAQ and EUROSTOXX50) and therefore follows the trend. In detail, this CFD is an agreement to pay the price differential recorded between the opening time and the closing time of the position.

CFDs are Over The Counter derivatives (OTC), meaning that they are traded outside regulated markets directly between the parties (the customer and the Bank) without involving a clearing house.”.

#### Objectives:

The objective of trading with CFD LOGOS on futures on indices major as an underlying is to enable an investor to gain leveraged exposure to the movement in the value of the underlying future without the need to actually buy the future or invest the full value of the transaction. The leverage effect that ensues allows the return (positive or negative) from the transaction to be multiplied compared to an ordinary transaction.

For example, if an investor buys 1 LOGOS CFD with a € 100 margin (5% leverage) with multiplier 0.001 and a price of the underlying of € 11389.3, the notional is equal to € 2000 (100 / 0.05) for a number of units equal to 176  $((100 / 0.05) / (11389.3 \times 0.001))$ . The effect of financial leverage, in this case 20: 1, resulted in a notional value of the contract of 2000 € (100 / 0.05). This means that the performance of the CFD operation is 20 times higher than that obtained with a normal trading transaction on the underlying.

If the investor enters the contract as the buyer ("long position") and the underlying increases in value, they will profit € 0,001 for every 1 point increase of that underlying; vice versa, for every 1 point decrease, they will incur in a loss of € 0,001. If the investor enters the contract as the seller ("short position"), they will make a profit with any decrease in the underlying asset and a loss for any increase in the underlying asset. The profit or loss of € 0,001 compared with the notional value of € 2000 corresponds to a yield of 0,00005% the profit or loss of € 0,001 compared with the initial investment of € 100 corresponds to a return of 0.001%, which is equal to the return obtained with a transaction on the underlying asset (0.00005%) multiplied by the leverage effect (20).

The maximum applicable leverage for retail investors is 20:1 (initial margin = 5% of the notional value of the CFD).

In order to limit the investor's potential losses, for each position held on CFD LOGOS on futures on indices major, the Bank generates an automatic stop loss market order that will close the position if the CFD price records an unfavorable change equal or greater than 50% of the deposited margin. In any case the potential loss can never exceed the 50% of the investment.

If the investor enters the contract as the buyer ("long position") the expectation is that the value of the underlying future relative will rise.

If the investor enters the contract the seller ("short position") the expectation is that the value of the underlying future will decrease.

The investor can start only "Intraday" position.

CFD LOGOS do not have a recommended holding period as these are instruments intended for short-term trading.

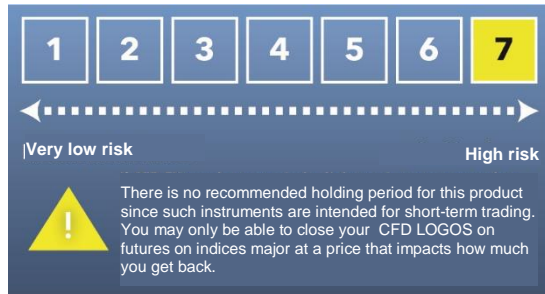
CFD LOGOS on futures on indices major are in EURO for Fineco Italy accounts and in GBP for Fineco UK accounts. In the event that the trading currency of the underlying is different from the trading currency of the CFD a fixed exchange rate equal to 1:1 will be applied.

#### Intended retail investor:

CFD LOGOS on futures on indices major are intended for investors who already have a good understanding and previous experience in dealing with leveraged products. Investors must already understand how prices of CFD LOGOS are derived, have a clear grasp of the concept of leverage and margin and understand the fact that losses may be equal to half the investment. They should also understand the risk-return profile of the product which could offer potentially higher risks and returns compared to those offered by directly trading the underlying contract. Investors are expected to have the appropriate financial means and ability to bear any and all losses in excess of the initial amount invested.

## What are the risks and what could I get in 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 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.

CFD LOGOS on futures on indices major are leveraged products. This means that a relatively small movement in the value of the underlying currency pair will have a proportionately higher impact on the deposited margin and in case of an unfavourable price movement losses may be equal to 50% of the margin.

**In any case, the stop loss guaranteed by the bank fixes in advance the maximum customer loss that can never exceed half of the invested capital.**

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

### Performance scenarios

The scenarios shown illustrate how your investment could perform in case of intraday trading. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment.

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 or to fulfil its obligations.

Since these instruments do not have a recommended holding period as they are intended for short-term trading, to run the scenarios and the stress scenario with "subintervals" in case of intraday trading, a segmentation of the day is considered necessary using returns sampled 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 described in Table 1:

| CFD LOGOS on Indices major LONG scenario |         | CFD LOGOS on Indices major SHORT scenario |         |
|--|---------|---|---------|
| Opening price                            | 11389,3 | Opening price                             | 11346,2 |
| Trade Size (units)                       | 176     | Trade Size (units)                        | 176     |
| Margin %                                 | 100 EUR | Margin %                                  | 100 EUR |
| Multiplier                               | 0,001   | Multiplier                                | 0,001   |
| Holding period                           | 1 gg    | Holding period                            | 1 gg    |
| Trading Currency                         | EUR     | Trading Currency                          | EUR     |
| CFD                                      | CFD DAX | CFD                                       | CFD DAX |

Table 1:

| LONG Performance Scenario  | Closing price | Price change | Profit/loss |
|----------------------------|---------------|--------------|-------------|
| Favourable                 | 196,27        | 1,08%        | 4,2         |
| Moderate                   | 193,58        | -0,30%       | -1,18       |
| Unfavourable               | 190,67        | -1,80%       | -7          |
| Stress                     | 179,49        | -7,56%       | -29,36      |
| SHORT Performance Scenario | Closing price | Price change | Profit/loss |
| Favourable                 | 191,40        | -1,05%       | 4,08        |
| Moderate                   | 194,31        | 0,45%        | -1,74       |
| Unfavourable               | 197,01        | 1,85%        | -7,14       |
| Stress                     | 207,76        | 7,40%        | -28,64      |

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

If Fineco becomes insolvent and is unable to meet its financial obligations, the investor may lose the full amount invested to open the positions with CFD LOGOS on futures on indices major.

Fineco subscribes to the National Guarantee Fund which, in accordance with the relevant regulations, compensates investors for claims resulting from failure to return, in whole or in part, cash and / or financial instruments or their countervalue due for the provision of services and investment activities.

The compensation from the Guarantee Fund will be paid to investors who make a claim to it up to a maximum overall amount of EUR 20,000.00 and is proportionate with the sum of debts included in the liabilities. For more information go to the website [www.fondonazionaleidigaranzia.it](http://www.fondonazionaleidigaranzia.it)

## What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the performance of the product. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here represent the cumulative costs of the product in two different holding periods, i.e in the event of closure on the same day the position is opened and in the case of closing after one day and include potential penalties for early exit. The figures assume a nominal value of EUR 10,000. The amounts are estimated and may change in the future.

### Cost over time

| Investment scenario<br>(10.000 EUR) | In the event of closure on the same day |                | In the event of automatic closure at the end of the day |                |
|-------------------------------------|---|----------------|---|----------------|
|                                     | Long position                           | Short Position | Long position   | Short Position |
| <b>Total costs</b>                  | 19 euro                                 | 19 euro        | 19 euro   | 19 euro        |
| <b>Reduction in Yield per year</b>  | -0.19%                                  | -0.19%         | -0.19%  | -0.19%         |

### Composition of costs

The table below shows:

- the impact of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

| Cost type            |                    | Description  |           |   |
|----------------------|--------------------|--|-----------|---|
| <b>One-off costs</b> | <b>Entry costs</b> | <i>Mark-up:</i><br>Measure of the differential applied by the bank to the bid / offer prices of the underlying future to determine the CFD bid / offer prices on opening the contract.<br>The usual amount applied from time to time is shown in the private area of the Fineco website. | Max 0.19% | Impact of the costs already included in the opening price of the CFD contract. This is the most you will pay, and you could pay less. |
|                      | <b>Exit costs</b>  | <i>Mark-up:</i><br>Measure of the differential applied by the bank to the bid / offer prices of the underlying future to determine the CFD bid / offer prices on closing the contract.<br>The usual amount applied from time to time is shown in the private area of the Fineco website. | Max 0.19% | Impact of the costs already included in the closing price of the CFD contract. This is the most you will pay, and you could pay less. |

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

There is no recommended holding period. CFDs are instruments intended for short-term trading. It is possible to close positions at any time without fees / commissions being applied for closing those positions.

## How can I complain?

In the event of a dispute related to the services and investment business provided, you can file a claim with the Bank, by registered letter or electronically to FinecoBank SpA - Direzione Generale - Ufficio Reclami, Piazza Durante 11, Milano - email [helpdesk@finecobank.com](mailto:helpdesk@finecobank.com) or PEC address [finecobankspa.pec@actaliscertymail.it](mailto:finecobankspa.pec@actaliscertymail.it).

The Bank must respond within 60 days of receipt. If you do not receive a response within that period or you are not satisfied with the outcome you may refer it to the Arbitrator for Financial Disputes (ACF). For more information, please click on the link "Claims" on the homepage of the Bank's website [www.finecobank.com](http://www.finecobank.com).

## Other relevant information

Further information is available on the homepage of the Bank's website [www.finecobank.com](http://www.finecobank.com) in the sections Transparency and Support. Terms and conditions of the product are shown in the Product Fact Sheets and Operating Rules attached to the Supplementary Contract for trading in derivatives that must be signed in order to trade in financial derivative instruments (including CFDs) after completing the appropriate questionnaire.