

Key information Document

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.

PRODUCT

Product Name: **Knock-Out Ratio Collar**

PRIIP Manufacturer: Moneycorp Financial Risk Management Limited. For further information visit <https://www.moneycorp.com/en-gb/business/risk-management/> or call 0207 589 3000

Production Date:

YOU ARE ABOUT TO PURCHASE A PRODUCT THAT IS NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND

I. WHAT IS THIS PRODUCT?

Type: An Over the Counter (OTC) contract - Foreign Exchange Instrument

OBJECTIVES

POTENTIAL OUTCOMES

If the Currency Pair has not been observed at or the Knock-Out Rate during the Observation Period, then:

- If the Fixing Rate is at or the Strike Rate, then
 - the Client may in the Notional Amount at the Strike Rate
- If the Fixing Rate is the Strike Rate and the Advantage Rate, then
 - There is no obligation
- If the Fixing Rate is at or the Advantage Rate, then
 - the Client is obliged to in the Leveraged Notional at the Advantage Rate

If the Currency Pair has been observed at or the Knock-Out Rate during the Observation Period, then

- All future Expiry Dates that fall within the Observation Period in which the Knock-Out Rate was met or breached are Knocked-Out

INTENDED RETAIL INVESTOR

Retail investors who: (i) have a theoretical knowledge of derivatives that is sufficient to intuitively understand the performance of the product at a high level but potentially limited prior practical experience and (ii) are seeking a product for hedging purposes or investment return.

Trade parameters

Client

Dealer

Moneycorp Financial Risk Management (MFRM)

Premium

Trade Date

Expiry Date(s)

Settlement Date(s)

Expiry Date(s) + 2 Business Days

Currency Pair

Fixing Rate

Notional Amount

Spot Reference

Strike Rate

Knock-Out Rate

Observation Period

Key information Document

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

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 a 7 out of 7 which is the highest risk class. This rates the potential losses from future performance at a very high level and poor market conditions will impact product performance.



The Risk Indicator assumes you keep the product until the expiry date. The actual risk can vary significantly if you decide to close out the product before maturity. Movements in the foreign exchange market after the trade may have a significant impact on how much you eventually get from the product when compared to the spot market on the expiry date.

This product has a fixing risk which means that if markets are volatile and the rates are moving contrary to the strike rate after such rate has been determined, you may experience a loss when compared to the spot market on the expiry date. In addition it does not cover the risk that Moneycorp FRM may not be physically able, in the event of going into liquidation, to deliver the currency on expiry. Even when a conversion is possible it is not guaranteed it can be conducted at the fixing rate. In times of market crisis the fixing rate can differ from the market rate considerably.

Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

In some circumstances you may be required to make further payments to pay for losses. The product may not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed you could lose your entire investment.

INVESTMENT PERFORMANCE INFORMATION

The main factor which is likely to affect future returns for the investor and determine the outcome of the investment is the performance of the underlying asset i.e. the currency pair.

What could affect my return positively?

The condition(s) that would be conducive to the PRIIP generating higher returns would be movement _____ in the underlying currency pair.

What could affect my return negatively?

The condition(s) that would be conducive to the PRIIP generating lower returns would be movement _____ in the underlying currency pair. In severely adverse market conditions you may be obliged to deal at a rate which is considerably worse than the prevailing rate resulting in losses to you and potential margin calls to cover such losses.

Key information Document

III. What happens if Moneycorp Financial Risk Management is unable to pay out?

Moneycorp FRM is covered by the Financial Services Compensation Scheme in relation to the provision of the Services. The Client may be entitled to compensation from the scheme if Moneycorp FRM cannot meet its obligations. This depends on the circumstances of the claim. Further information about compensation arrangements is available from: The Financial Services Compensation Scheme, 10th Floor Beaufort House 15 St Botolph Street London EC3A 7QU, or visit <https://www.fscs.org.uk/>.

IV. What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, over the recommended holding period. They include potential early exit penalties. The figures assume you invest GBP 10,000. The figures are estimates and may change in the future.

COSTS OVER TIME

The person selling you this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Nominal amount GBP 10,000

Scenarios	If you end after 1 year	If you end at the end of the recommended holding period
Total Costs	GBP	GBP
Impact on Return (RIY) per year		

COMPOSITION OF COSTS

The table below shows:

- The impact each year of the different types of costs on the performance of the product at the end of the recommended holding period
- The meaning of the different cost categories

This table shows the impact on return per year

One-off costs	Entry Costs		The impact of the costs you pay when entering your investment. The impact of the costs already included in the price. This is the most you will pay and you could pay less. This includes the cost of distribution of your product.
	Exit Costs	n.a.	The impact of the costs of exiting your investment when it matures.
Ongoing Costs	Portfolio Transaction Costs	n.a.	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	n.a.	The impact of the costs we take for managing your investments and the costs presented in Section II.

V. How long should I hold it and can I take money out early? Recommended holding period is?

The product is designed to be held to maturity. We are not obliged to accept any request by you to terminate the product prior to the end of its term. If we agree to terminate the product prior to the end of its term, the amount you pay or receive will be based on the value we receive from terminating our hedge position(s) and may include an early Exit Cost. Where you reduce your economic exposure under the product by entering into an equal and opposite position, you will be entering into a new product and this may include Entry Costs (see the section "What are the costs?").

VI. How can I complain?

Moneycorp FRM operates a complaints procedure in accordance with FCA Rules, a copy of which is available on <https://www.moneycorp.com/en-gb/contact-us/>. If you wish to make a complaint in connection with any of the Services, you should promptly provide full details of the complaint to: The Compliance Officer, Moneycorp FRM, Floor 5, Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ. Moneycorp FRM will use all reasonable efforts to investigate and re-solve the matter promptly and fully. If you are dissatisfied with the handling of any complaint, you may have the right to refer the matter directly to the Financial Ombudsman Service. Information on the Financial Ombudsman Service, including how to make a claim, eligibility criteria and the procedures involved, is available from: The Financial Ombudsman Service, Exchange Tower, London, E14 9SR (www.financial-ombudsman.org.uk)

VII. Other Relevant Information

The information contained in this key information document does not constitute a recommendation to buy or sell the product and is no substitute for individual consultation with a financial advisor. For comprehensive terms surrounding this product that are not contained within the KID, please refer to the following documents provided to you:

- Moneycorp Financial Risk Management Limited's Terms & Conditions
- Product Disclosure Statement

If you have any queries regarding these, please contact your Moneycorp Financial Risk Management dealer.