



## 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

|  |   |
|--|---|
| Name of PRIIP  | Money market options call short   |
| Name of PRIIP manufacturer                               | Eurex Deutschland, public institution with limited legal capacity                                 |
| Details of how to get in contact with PRIIP manufacturer | Email: KIDS_PRIIPS@eurex.com<br>Telephone: +49 69 2111 6400                                       |
| Competent authority supervising PRIIP manufacturer       | Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority (BaFin)) |
| Date of production                                       | 16 December 2021  |

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

## What is this product?

### Type

Money market options call are derivative based contracts. A derivative is a financial contract, which derives its value from the value of another underlying instrument. Money market options are future-style options.

### Objectives

A call option gives the buyer (long position) the right, but not the obligation, to buy the underlying asset at a certain time in the future for a certain price (the option's strike price). The seller of a call option (short position) has sold the right to buy to the buyer, and hence might be forced to sell the underlying asset at the pre-defined time for the strike price. Potential customers of money market options call short would have a short position in the respective option, i.e. they would act as a seller.

Unlike for regular options, no premium (price of the option) is paid from the buyer to the seller when entering into a future-style options position. Instead, like for a futures position, both the buyer and the seller have to deposit assets to secure the position's exposure. The option's premium is considered in the pay-off at expiration of the future-style option. An option's price can fluctuate due to movements and expectations of the following non-exhaustive list of parameters: the difference between the option's strike price and the price of the underlying asset, interest rates, remaining time until expiry of the options contract, expected volatility in the underlying asset, etc...

The buyer and the seller have opposing expectations of how the value of the option's price will develop. The buyer of an options call expects that upon the option's expiration or closure the underlying asset's price will be higher than the sum of the option's strike price plus the option's premium. The seller of an options call expects that upon the option's expiration or closure the underlying asset's price will be lower than the sum of the option's strike price plus the option's premium.

The potential pay-off at expiration of an options call short is asymmetric. The risk and reward profile at maturity is depicted in the section "Performance scenarios". The gross profit or loss<sup>1</sup> of the seller of an options call depends on the underlying asset's price at the option's expiration or closure. If the underlying asset's price is lower than the option's strike price, the gross pay-off of the seller of an options call equals the option's premium. If the underlying asset's price is higher than the option's strike price, the gross pay-off of the seller of an options call is calculated as the option's premium, minus the underlying's value at the option's expiration or closure, plus the option's strike price. The seller's maximum potential gross loss is unlimited; the seller's maximum potential gross profit is the option's premium. The seller's pay-off is zero, when the underlying's price equals the option's strike price plus the option's premium.

No recommended holding period is prescribed for options. Buyer and seller can, within their individual limits, experience profits or losses at any point up to and including the option's maturity date.

An options call has a pre-defined maturity date. A potential customer may exit their exposure to an options call during the trading hours of the exchange days. The customer can exit this exposure to an options call by entering into an opposing options call position (with the same underlying, maturity and strike price) traded on Eurex and cleared by Eurex Clearing AG, acting as seller to close an opening long position, or acting as buyer to close an opening short position, respectively.

In the highly unlikely event that an orderly functioning of markets would no longer be guaranteed, in accordance with the Exchange Rules, Eurex has an extraordinary right to suspend trading or to terminate positions.

<sup>1</sup> The gross profit or loss is a customer's profit or loss before consideration of transaction fees, clearing fees, brokerage fees, tax and/ or any other administrative expenses occurring in connection with the exposure to the relevant options position.

Instruments which are referenced as the underlying for a money market options position may include, but are not limited to:

- a future on the Euro InterBank Offered Rate (Euribor), which is the rate at which banks can borrow funds from one another.

### Intended retail investor

An exchange is a neutral trading platform, where various types of market participants can interact. Potential customers of money market options call short comprise of retail clients, professional clients and eligible counterparties, who pursue a strategy of capital optimisation, leverage for the purpose of directional investing, arbitrage or hedging, and who may have a short-term, mid-term or long-term investment horizon. The potential customer could bare financial losses exceeding the initially invested capital, and does not require capital protection (repayment of the invested capital is not guaranteed). A money market options call short is a product suitable for clients with extensive knowledge and/ or experience in derivative financial products.

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

### Risk indicator



The product can be held for the duration of a short-, medium- or long-term investment horizon.

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

We have classified these products as 7 out of 7, which is the highest risk class. This rates potential losses from future performance at a very high level. Options are leveraged products; initial costs of a customer, e.g. execution fees, assets deposited to secure the option's exposure, may account for only a small percentage of the traded contract's overall value. Small changes in the underlying's price can result in huge gains or losses.

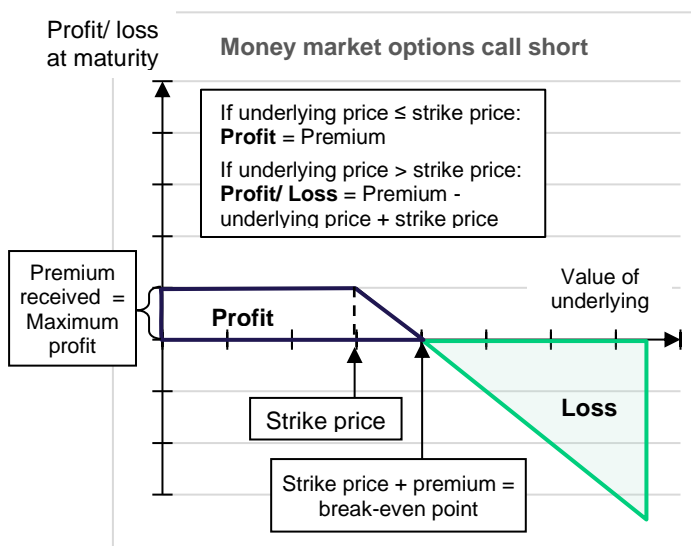
**Be aware of currency risk. Depending on the chosen product, you will receive payments in a different currency, so the final return you will get will depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.**

In some circumstances, you may be required to make payments to pay for losses. **The total loss you may incur may be significant.**

These products do not include any protection from future market performance so you could incur significant losses.

### Performance scenarios

This graph illustrates how your investment could perform. You can compare it with the pay-off graphs of other derivatives.



The graph presented gives a range of possible outcomes and is not an exact indication of what you might get back. What you get will vary depending on how the underlying will develop. For each value of the underlying, the graph shows what the profit or loss of the product would be at maturity. The horizontal axis shows the various possible prices of the underlying value on the expiry date and the vertical axis shows the profit or loss<sup>2</sup>.

Assuming an options call short position holds that you think the underlying price will decrease.

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

Before entering into a money market option call short, the customer must have made their own independent assessment

on whether to enter into such a contract and decide as to whether the respective product is appropriate or proper for themselves, based upon the customer's own judgment and the recommendation from the persons selling or advising. The scenarios indicated in the graph illustrate a range of possible returns for this product at maturity.

<sup>2</sup> Please note that the profit or loss should be understood to be the gross profit or loss in this graph.

## What happens if Eurex Deutschland is unable to pay out?

Eurex Deutschland is an exchange approved under German law and provides a trading platform for the conclusion of financial transactions between market participants. Eurex Deutschland does not act as counterparty to any market participant with respect to any of these transactions.

Any transaction traded on Eurex Deutschland is centrally cleared by Eurex Clearing AG<sup>3</sup>.

## What are the costs?

### **Cost over time**

Eurex Deutschland does not charge costs or fees to its trading participants.

|                                 | If you cash in at maturity |
|---------------------------------|----------------------------|
| Total costs                     | n/a                        |
| Impact on return (RIY) per year | n/a                        |

### **Composition of costs**

| This Table shows the impact on return per year |                             |     |   |
|--|-----------------------------|-----|---|
| One-off costs                                  | Entry costs                 | n/a | The impact of the costs you pay when entering into your investment.   |
|  | 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 that we take each year for managing your investments and the costs presented in Section II. |
| Incidental costs                               | Performance fees            | n/a | The impact of the performance fee. We take these from your investment if the product outperforms its benchmark.     |
|  | Carried interests           | n/a | The impact of carried interests.  |

However, all products covered by this KID are centrally cleared by Eurex Clearing AG, a service for which Eurex Clearing AG charges transaction fees and clearing fees<sup>4</sup>.

The person selling you or advising you about 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. In addition, you might have to deposit assets with the person selling you or advising you about this product, to secure this product's exposure.

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

No recommended holding period is prescribed for these products by the exchange. Each customer's optimal holding period depends on their individual investment strategy and risk profile.

Both, the buyer and the seller of an option can exit their exposure to an option as further described in the section "Objectives". Customers can roll forward their exposure in an option (at or before maturity) to match their investment horizon. To roll an option means to extend its maturity by closing the initial contract and opening a new contract with the same underlying.

## How can I complain?

In case of complaints about the products covered by this KID or about the conduct of the PRIIP manufacturer, please contact [KIDS\\_PRIIPS@eurex.com](mailto:KIDS_PRIIPS@eurex.com) or Eurex Sales, The Cube, Mergenthalerallee 61, 65760 Eschborn, Germany. In case of a complaint regarding a person advising on, or selling, or distributing to you the product, please directly contact the institution, which the respective person represents.

## Other relevant information

More information on product-specific tick sizes and tick values and different underlying's for money market options can be found in the respective chapter of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland available under: <https://www.eurex.com/exchange-en/resources/rules-regulations/Contract-specifications/136774>.

<sup>3</sup> More information regarding Eurex Clearing can be found on its official website: <https://www.eurex.com/ec-en/>.

<sup>4</sup> For detailed information on transaction fees and clearing fees, please refer to the Price List of Eurex Clearing AG, available under this link: <https://www.eurex.com/exchange-en/resources/rules-regulations/Price-list/136804>.