

Key Information Document

Rolling FX Spot

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, costs, risks and rewards of this product and to help you compare it with other products.

Product

Rolling FX Spot

The manufacturer of this product is Saxo Bank A/S. – www.home.saxo

Contact us on +45 3977 4000 for more information.

Saxo Bank A/S is under the supervision of the Danish Financial Services Authority.

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Alert

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

What is this product?

Type

Rolling FX Spot is a contract where the profit is to be secured or loss avoided by reference to fluctuations in an underlying currency pair, such as the Euro (EUR) against the U.S. Dollar (USD), referred to as EURUSD, for immediate delivery.

Visit home.saxo for further information in relation to the underlying currency pairs available.

Objectives

The objective of trading Rolling FX Spot is to gain exposure to fluctuations related to the currency pair without owning it. Your return depends on the performance (or movement) of the currency pair and the size of your position.

This product is traded on margin. Margin refers to the use of a certain amount of capital to support an investment of a larger exposure. Please note that margin trading requires extra caution, because whilst you can realize large profits if the price moves in your favour, you risk extensive losses if the price moves against you.

For each currency pair, two different margin rates apply: 1) Initial Margin is the required collateral to open a new position. The Initial Margin requirement is dependent on the currency pair traded, and 2) Maintenance Margin, required to maintain an open position, which is usually equal to 50% of the Initial Margin requirement.

For example, the Initial Margin requirement for EURUSD is 3.33% and the Maintenance Margin requirement is 1.66%. If EURUSD is trading at 1.2000 and you trade an amount of 10,000 EUR, a margin of 333 EUR ($10,000 \times 3.33\%$) is required to open a Long/Short position. To hold the position, a maintenance margin of 167 EUR ($10,000 \times 1.66\%$) is required.

Maintenance Margin is used to calculate the margin utilization. If your losses exceed 100% margin utilization, then automatic margin close-out will occur, meaning that orders to close positions will be placed and existing orders will be cancelled.

When trading FX Spot, **Retail** clients have negative balance protection on their trading account. Should your account fall into a negative balance, you will not be obliged to make additional payments – meaning losses cannot exceed your deposits.

Rolling FX Spot is an execution only product and therefore does not have a recommended holding period (RHP). FX Spot trades do not settle. Instead, open positions held at the end of a trading day are rolled forward to the next available business day. It is up to you to open and close your position, however your position will only be kept open to the extent that you have available margin.

Intended retail investor

Trading in this product will not be appropriate for everyone. The product would most commonly be utilised by persons who want to generally gain short term exposures to financial instruments/markets; are using (trading with) money which they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; and understand the impact of and risks associated with margin trading.

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

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.



Lower risk

Higher risk



The risk indicator assumes that you may not be able to buy or sell your FX at the price you wanted to due to volatility of the market or you may have to buy or sell your FX at a price that significantly impacts how much you get back.

We have classified this product as 7 out of 7, which is the highest risk class.

Values may fluctuate significantly in times of high volatility or market/economic uncertainty; such swings are even more significant if your positions are leveraged and may also adversely affect your position. As a result, margin calls may be made quickly or frequently, and in the event of default, your positions may be closed out.

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. This product does not include any protection from future market performance, so you could incur significant losses.

Trading risks are magnified by leverage.

Performance scenarios

This table shows the money you could get back over the next 30 days, under different scenarios, assuming a notional amount of EUR 10,000. The scenarios shown illustrate how your investment could perform. 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. The return of the investment vary depending on how the market performs and how long you hold the contract. The stress scenario shows the return in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself. Please note that Financing of unrealized P&L is not taken into account in the trading examples. Also, note that currency conversion fee on realised profit/loss and ticket fees from the instrument currency to the account currency is not taken into account in these examples. The figures do not take into account your personal tax situation, which may also affect your return.

| Trade assumptions | | |
|--------------------------------|-------------------|-----------|
| Description | Symbol/Equation | Value |
| Instrument | I | EURUSD |
| Opening Price | P | 1.20000 |
| Trade Size (EUR) | TS | 10,000 |
| Quoted Currency Amount (USD) | QC = P x TS | 12,000 |
| Initial Margin (%) | IM | 3.33% |
| Maintenance Margin (%) | MM | 1.67% |
| Initial Margin (EUR) | IMR = P x TS x IM | 333 |
| Maintenance Margin (EUR) | MMR = P x TS x MM | 167 |
| Spread | S | 0.00010 |
| FX Value Date Rollover (Long) | TN | 0.000055 |
| FX Value Date Rollover (Short) | TN | -0.000007 |
| Minimum Commission (EUR) | MC | 2.50 |
| Holding time (days) | HT | 30 |

| Performance scenario (Long) | | | | |
|-----------------------------|---------------|--------------|------------------|-------------------------|
| Long Positions | Closing Price | Price Change | Total Cost (EUR) | Total Profit/Loss (EUR) |
| Favourable | 1.23384 | 2.82% | 22.50 | 260 |
| Moderate | 1.20024 | 0.02% | 22.50 | -21 |
| Unfavourable | 1.16784 | -2.68% | 22.50 | -291 |
| Stress | 1.09080 | -9.10% | 22.50 | -933 |

| Performance scenario (Short) | | | | |
|------------------------------|---------------|--------------|------------------|-------------------------|
| Short Positions | Closing Price | Price Change | Total Cost (EUR) | Total Profit/Loss (EUR) |
| Favourable | 1.16820 | -2.65% | 3.90 | 261 |
| Moderate | 1.20072 | 0.06% | 3.90 | -10 |
| Unfavourable | 1.23336 | 2.78% | 3.90 | -282 |
| Stress | 1.32120 | 10.10% | 3.90 | -1,014 |

What happens if Saxo is unable to pay out?

Saxo Bank A/S is a fully accredited European Bank and is a member of The Guarantee Fund for Depositors and Investors (www.gii.dk); an institution established by the Danish parliament which is supervised by the Ministry of Finance and Business in Denmark. In the unlikely event that Saxo Bank is declared bankrupt, The Guarantee Fund covers cash deposits up to EUR 100,000. Securities, for example stocks, held in an individual custody account will be returned to the owner, irrespective of a winding-up order. In the unlikely event that Saxo Bank is unable to return the securities held in safe-custody, administered or managed, The Guarantee Fund as a rule covers losses of up to EUR 20,000 per investor.

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What are the costs?

Costs over time

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, on-going and incidental costs. The amounts shown here are the cumulative costs of the product itself, for an illustrative holding period of 30 days. The figures assume a nominal value of EUR 10.000. The figures are estimates and may change in the future.

| Cost over time | Long Position | Short Position |
|----------------------------|---------------|----------------|
| Trade Size (EUR) | 10,000.00 | 10,000.00 |
| Initial Margin (EUR) | 333.00 | 333.00 |
| Holding time (days) | 30 | 30 |
| Total Cost (EUR) | 22.50 | 3.90 |
| RIY as % of Notional Value | 0.23% | 0.04% |
| RIY as % of Initial Margin | 6.76% | 1.17% |

Composition of costs

The table below shows:

- // The impact of different types of cost on the performance of the product
- // The meaning of the different cost categories.

| Breakdown of possible costs associated with an Rolling FX Spot | | | |
|----------------------------------------------------------------|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| One-off costs | Spread | The difference between the bid (sell) price and the offer (buy) price. Spread is dependent on many different factors, including but not limited to, the underlying liquidity and volatility, time of day and notional trade size. | EURUSD default (all inclusive) spread 0.8 pips (minimum). |
| | Ticket Fee (small notional trade sizes) | The fee charged for the service of carrying out the transaction, subject to a minimum fee on small notional trade sizes. | 3.00 USD (only for trades below 50k EUR). |
| | Profit/Loss Currency Conversion | The fee charged for converting realised profit/loss and ticket fees from the instrument currency to the account currency. | Currency conversion of 0.50% |
| Ongoing costs | FX Value Date Rollover | Tom/Next swap points (Forward Price) The swap points used are calculated using the tom/next swap rates from Tier-1 banks, plus/minus a mark-up. | Tom/Next markup +/-0.45% |
| | | Financing of unrealised profit/loss (Financing Interest) Any unrealised profit/loss that is rolled from one day to the next is subject to an interest credit or debit. | Financing Interest markup rate +/-2.00% |
| Incidental costs | - | - | - |

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

Recommended holding period: NO RECOMMENDED HOLDING PERIOD

Rolling FX Spot have no recommended holding period. Provided that Saxo is open for trading you can enter and exit positions at any time.

How can I complain?

If you as a client or a prospective client of Saxo Bank A/S have raised a question or an issue with Saxo Bank A/S for instance with your account manager or another employee of Saxo Bank A/S without receiving a satisfactory answer you may file a complaint with Saxo Bank A/S as per below.

If the person advising or selling to you is not Saxo Bank A/S directly please contact them directly.

Attn: Complaints, Saxo Bank A/S, Philip Heymans Allé 15, 2900 Hellerup, Denmark.

Or by e-mail to complaints@saxobank.com

If you are not satisfied with the response to your complaint, you may file a complaint directly with The Danish Complaint Board of Banking Services: Pengeinstitutankenævnet, Amaliegade 8 B, 2. sal, Postboks 9029, DK-1022 København K, Denmark

www.pengeinstitutankenævnet.dk

Other relevant information

Please refer to our website for any other information www.home.saxo