CURRENCY PUT OPTIONS

PRODUCT INFORMATION

DECEMBER 1, 2019

Wise Wolves Finance ltd. (CySEC) regulated, CIF licence number 337/17
30B Gladstonos street, 3041 Limassol, Cyprus

Purpose

This document provides 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 Product:	OTC Deliverable Currency Put Option
Manufacturer:	Wise Wolves Finance LTD
Website:	https://wise-wolves.finance/
Contact details:	Call +357 25 366336 or email wwf@wise-wolves.com
Regulatory Authority:	Cyprus Securities and Exchange Commission (cySec) Company Registration Number: 361580 License Date: 25/09/2017 License Number: 337/17

Alert: **You are about to purchase a product that is not simple and may be difficult to understand This product is not meant specifically for retail investors.**

Product definition

OTC Deliverable Currency Put Options are considered to be derivatives under Annex 1, Section C of MiFID 2014/65/EU.

Objectives

An OTC Deliverable Currency Put Option is a physical settled derivative contract that gives the buyer (“long position”) the right, in the end of the fixed period of time stated in the contractual terms, to sell a specified amount of a particular currency (the “base currency”) as compared to a second currency (the “quoted currency”) for a predetermined exchange rate (“strike price”). OTC Deliverable Currency Put Options are European style options which means that holders are only entitled to exercise their options on the expiration date.

The option price or premium is dependent on various factors including, but not limited to, the price of the underlying asset (Currencies), the volatility of the underlying asset (currencies), interest rates and time to expiry. The difference between the market exchange rate at expiry and the strike exchange rate when buying or selling the OTC Deliverable Currency Put Option contract will result in the market participant’s profit or loss on the option contract.

The buyer will realize a profit if the value of the underlying currency has decreased relative to the currency strike price of the option or a loss if this value has increased relative to the currency strike price of the option on expiry of the option contract. The seller realizes a profit by earning a premium for selling the OTC Deliverable Currency put option and is subject to loss is the value of the underlying currency is less than the strike price at the time of expiration.

Each OTC Deliverable Currency Put Option has its own expiration date and valuation time, after which the product automatically expire and physical settlement occurs. Physical settlement occurs in the quoted currency. That means, that if the option is executed, the seller receives “quoted currency” at the strike exchange rate and the buyer receives “base currency” at the strike exchange rate. Subject to market conditions you can close your position on any day up to and including expiration date. If you “opened a position” by buying an OTC Deliverable Currency Option (to “go long”), you sell the same contract to “close” your position. If you “opened a position” by selling an OTC Deliverable Currency Option (to “go short”), you buy the same contract to “close” your position.

The buyer of an OTC Deliverable Currency Put Option has the expectation of weakening exchange rates. Thus, the buyer expects that the underlying asset price at expiration will be lower than the sum of the option strike price plus the option premium, in which case the buyer will make a profit.

The seller of an OTC Deliverable Currency Put Option has the expectation of strengthening exchange rates. Thus, the seller expects that the underlying asset price will be higher than the sum of the option strike price plus the option premium, in which case the seller will make a profit. The payoff profile at expiration is asymmetric and shown in the “Performance Scenario”.

Intended retail investor

OTC Deliverable Currency Put Option is a product suitable for clients with extensive knowledge and/or experience in derivative financial products. It is not meant specifically for retail investors. A retail investor should become familiar with the product characteristics to make an informed decision on whether this product fits their investment needs. A retail investor should contact their broker or investment adviser to obtain investment advice.

Risks and return Risk indicator

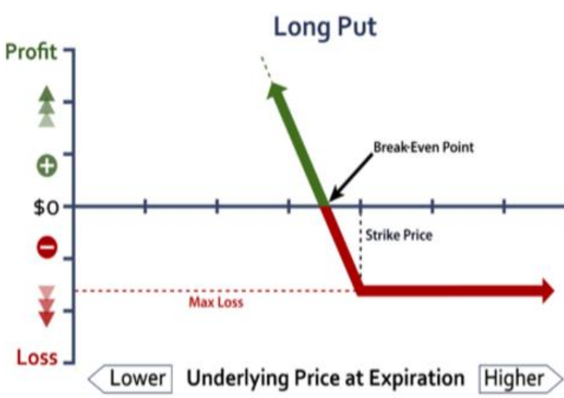
The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the market.

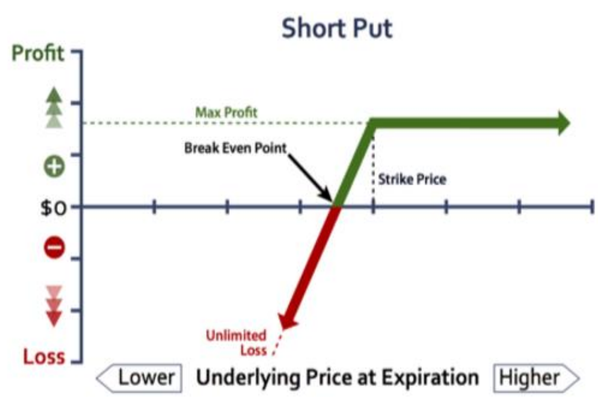
1	2	3	4	5	6	7
Low Risk						High Risk

The product can be held for the duration of a short-, medium- or long-term investment horizon. 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 can be leveraged products on the buy side; initial costs of a customer, e.g. execution fees, assets deposited to secure the option's exposure, account for only a small percentage of the traded contract's overall value. Small changes in the underlying asset price can result in huge losses. The total loss you may incur may be significant.

Scenarios

Buyer enters a long position on the put option in expectation of weakening exchange rates. A Seller enters a short position on the put option in expectation of strengthening exchange rates. The profit or loss for buyer is calculated by taking the closing value of the contract and subtracting the strike price of the contract at initiation of the transaction and subtracting the premium the buyer paid for the option at the time of initiation of the contract. If the result is positive, the buyer makes a profit and if it is negative, the seller makes a profit.





The graph illustrates how your investment could perform. The graph presents a range of possible outcomes and is not an exact indication of what you might receive. What you will receive will vary based on how the value of the underlying changes over time. For two values of the underlying, the graph shows what the profit or loss of the product would be. The horizontal axis shows possible values of the underlying and the vertical axis shows the profit or loss. The figures shown include all the costs of the product itself but may not include all the costs you pay to your advisor or distributor and do not take into account your personal tax situation, which may also affect how much you receive.

What are the Costs?

Aggregate costs for OTC Deliverable Currency Put Option depend on multiple factors. An option's premium is the cost paid by the buyer to the seller. Factors having a significant effect on the premium include, but are not limited to, the underlying interest's value, time until expiration, and strike price. Options investing involves additional costs that include tax considerations, transaction costs and margin requirements that can significantly affect profit or loss. Transaction costs consist primarily of commissions (which are imposed in opening, closing, exercise and assignment transactions), but may also include margin and interest costs. Margin means the assets required to be deposited by the buyer with his brokerage firm as collateral for the obligation, as applicable, to buy or sell the underlying interest or pay the cash settlement amount. If an option is exercised and assigned, a buyer may incur additional costs related to the underlying currency contract. Advisors, distributors or any other persons advising on or selling OTC Deliverable Currency Put Options will provide information detailing any cost of distribution not already included in this section to enable the investor to understand the cumulative effect of the aggregate costs on the return.

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

There is no recommended holding period for these products. They can be held for the duration of short-, medium-, long-term investment horizon. The optimal holding period depends upon the investor's individual strategy and risk profile. A derivative position can be traded and closed out on any trading day until expiration. In particular, a long position can be closed by entering a sell order in the market on any day up to and including the expiration date of the contract, and a short position can be closed by entering a buy order in the market on any day up to and including the expiration date of the contract.