



## Key Information Document (long equity index future)

### 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 compare it with other products and understand the nature, risks, costs, potential gains, and losses of this product.

### Alert

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

### Product

Equity index futures are derivative based contracts. A derivative is a financial contract, which derives its value from the value of another underlying instrument, in this case an equity index.

Cboe Europe Equity Derivatives Exchange (CEDX) Equity Index Futures :  
[https://www.cboe.com/europe/derivatives/support/tradable\\_products/](https://www.cboe.com/europe/derivatives/support/tradable_products/)

Details of the specific indexes in respect of which Index Futures are traded on CEDX are available at: <https://www.cboe.com/europe/indices/>

Manufacturer: Cboe Europe BV

Competent Authority: Autoriteit Financiële Markten (AFM)

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### Objectives

A future is an agreement between a buyer (long position) and a seller (short position) to trade a certain underlying asset at a defined time in the future for a certain price. Potential customers of equity index futures long would act as a buyer and potential customers of equity index futures short would act as a seller.

No initial payment is made between the buyer and seller when entering into a futures position. The buyer and the seller have opposing views of how the value of the futures price will develop over the life of the futures contract. Either market participant will experience a profit if their expectations materialise, and a loss if their expectations do not materialise. A futures long position gross profit or loss is calculated as the futures value at expiration or closure, minus the futures value at the time the future is entered into. This difference divided by the minimum price change (tick size) will

calculate the profit or loss in ticks, the number of ticks multiplied by the value per minimum price change (tick value) calculates the monetary value of the gross profit or loss.

Each Index Future has its own Last Trading Day and Expiry Day, after which the product will expire. You can close your position on any trading day up to and including the Last Trading Day. Index Futures will (unless you choose to close your position beforehand) automatically expire on the relevant Expiry Day. You can exit exposure to a future by entering into an opposing futures position (with the same underlying and maturity) traded on CEDX and cleared by EuroCCP, acting as seller to close an opening long position, or acting as buyer to close an opening short position, respectively.

The pay-off of a future is linear: The difference between the futures value at expiry or closure of the position and the futures value at entry always results in the same monetary profit or loss, independent of the actual value of the underlying. No recommended holding period is prescribed for futures.

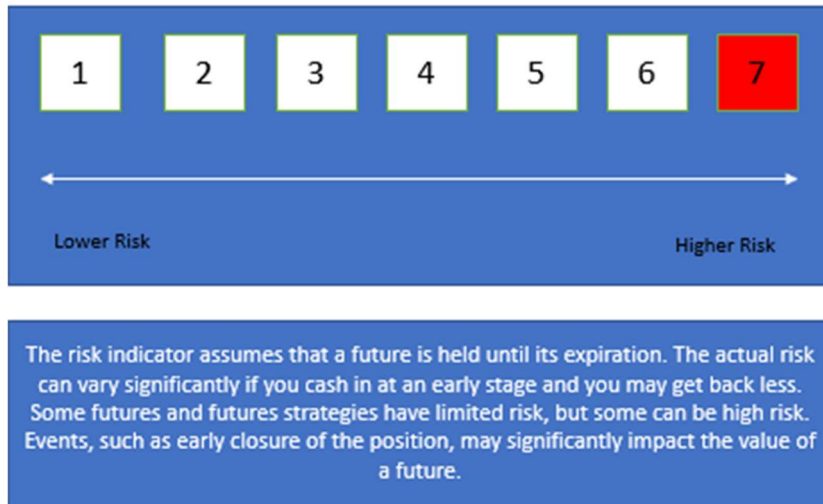
The risk and reward profile at maturity is depicted in the section "Performance scenarios". Buyer and seller can experience profits or losses at any point up to and including the future's maturity date

#### Intended retail investor

An exchange is a neutral trading platform, where various types of market participants can interact. Potential customers of equity index futures long 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. There is no capital protection (repayment of the invested capital is not guaranteed). An equity index futures long is a product suitable for clients with extensive knowledge and/ or experience in derivative financial products.

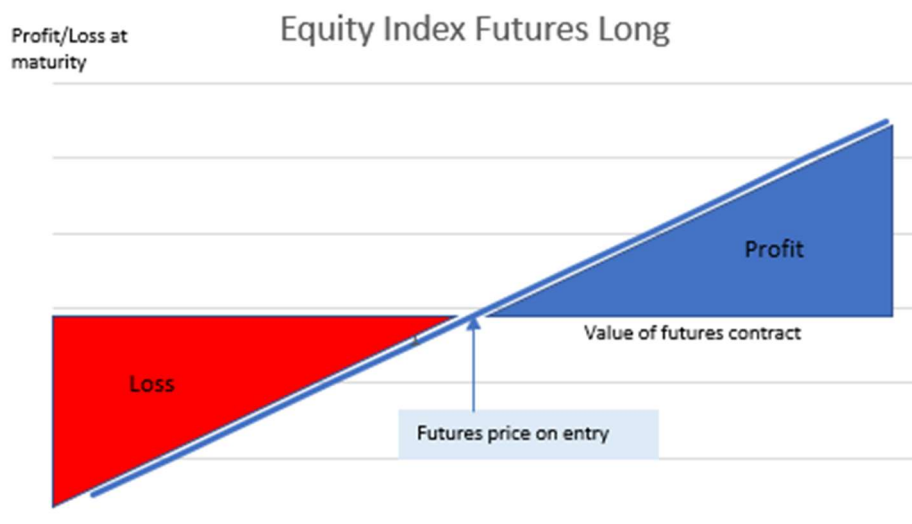
#### What are the risks and what could I get in return?

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 result in a loss because of movements in the markets. 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. Futures are leveraged products; initial costs of a customer, e.g. execution fees, assets deposited to secure the future's exposure, account for only a small percentage of the traded contract's overall value. Small changes in the future's price can result in large gains or losses because of leverage.



### 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 representation of what you might get back. 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. What you get will vary depending on the value of the future at expiry or the price at which you close the position. Consider this an illustration. The illustration does not include all the costs that you pay to your advisor or distributor. The figures do not consider your personal tax situation, which may also affect how much you get back.

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 could be significant.

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

Before entering into an equity index futures long, you must have made your own independent assessment on whether to enter into such a contract and decide as to whether the respective product is appropriate or proper for you, based upon your own judgment and/or 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.

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

CEDX is an exchange approved under Dutch law and provides a trading platform for the conclusion of financial transactions between market participants. CEDX does not act as counterparty to any market participant with respect to any of these transactions. Any transaction traded on CEDX is centrally cleared by EuroCCP.

#### What are the costs?

CEDX fees : [https://www.cboe.com/europe/derivatives/participation/fee\\_schedule/](https://www.cboe.com/europe/derivatives/participation/fee_schedule/)

EuroCCP Fees : <https://euroccp.com/document/regulation-fees-and-penalties-2/?wpdmdl=6359&refresh=612f69962ad9b1630497174>

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?

Each customer's optimal holding period depends on their individual investment strategy and risk profile. Hence, there is no recommended holding period for these products by the exchange. You can close a position before expiry, let the future expire or you can roll forward the exposure in a future (at or before maturity) to match your investment horizon. To roll a future means to extend its maturity by closing the initial contract and opening a new contract with a longer maturity on the same underlying.

#### How can I complain

If there is a complaint about the products covered by this KID, please contact Cboe Europe Sales., Gustav Mahlerlaan 1212, 1081 LA Amsterdam. If there is a complaint about the person advising on, or selling, or distributing the product to you then please contact the institution that this person represents.

#### Other relevant information

For more information on the products, tick sizes, trading hours, final settlement dates and more, please visit the following site

[https://www.cboe.com/europe/derivatives/support/tradable\\_products/](https://www.cboe.com/europe/derivatives/support/tradable_products/)