

## Purpose of the Document

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: TARF (Target Redemption Forward)  
 Creator: AKCENTA CZ a.s. (www.akcenta.eu)  
 Competent supervisory authority: Czech National Bank  
 Date and time of issue: 01/01/2024 8:00

## Warning

You are about to purchase a product that is not simple and may be difficult to understand. The product is not suitable for every investor. The product is suitable for an active investor who has experience and is aware of investment risks.

## I. What is this product?

### Type

TARF (target redemption forward) option strategy is an investment instrument used to hedge currency risk. Its specific feature consists in the fact that it offers a more favourable rate compared to a currency forward. However, there is uncertainty associated with this exchange rate in the form of a previously unknown resulting exchange volume and a previously unknown total hedge length. This instrument is suitable for clients who find the uncertainty of the resulting exchange volume and the resulting duration of the hedge acceptable and who, on the other hand, perceive a better exchange rate compared to a standard forward as a significant advantage.

*If on the fixing date the Bloomberg 14:00 fixing rate is lower in the case of a sale of the main currency (or higher in the case of a purchase of the main currency) than the agreed realisation rate, then the client exchanges denomination 1 for the agreed realisation rate and the difference between these rates is accumulated. Once the total accumulated value reaches the target (profit cap) level, the trade is terminated and no exchanges will take place in the remaining periods. If on the fixing date the Bloomberg fixing rate is higher in the case of a sale of the main currency (or lower in the case of a purchase of the main currency) or equal to the realisation rate, the client exchanges denomination 2 agreed for the realisation rate and there is no accumulation during the period.*

### Goals

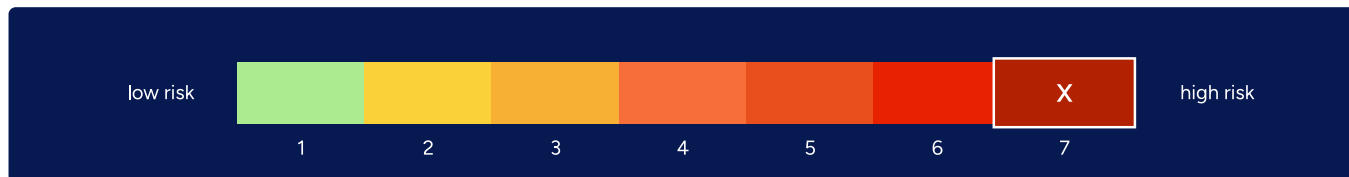
The goal of the TARF Option is to profit from a change in the price of the underlying assets. In the case of currencies, these prices are set by bank transactions, where banks quote currency pairs to each other. AKCENTA obtains these prices from the contractual partner (bank). This product is designed for clients who wish to execute controlled transactions and benefit from short-term rate developments from the aggregate performance of the underlying assets and are willing to bear the risk of losing the entire amount invested in a short period of time.

### Intended customer

This product is only suitable for corporate customers who have sufficient experience in hedging against currency risks. Given that the structure may be terminated before the agreed maturity, resulting in little or no protection, the buyer should be in good financial shape and use other, more secure hedging products as part of their overall hedging strategy.

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

Risk indicator:



The risk indicator assumes that you keep the product for 365 days. The actual risk can change significantly. This product is a high-risk product. The prices of the underlying assets may fluctuate significantly in a short period of time and you may suffer a substantial and unlimited loss. Gains and losses are also affected by the degree of leverage used. A higher ratio leads to higher profits or higher losses. All derivative contracts are legally classified as 7, which is the highest risk class.

### Performance scenarios

The TARF Option example is based on realistic fundamentals. The example may not exactly match the specific terms of your contract.

#### Long position - purchase of 100,000 EURCZK

Position scenario	Opening rate of the position	% change in rate	Referential fixing at maturity	Profit / Loss [CZK]
Stress	25,100	-1,50%	24,724	-37 600,00
Unfavourable	25,100	-0,50%	24,975	-12 500,00
Moderate	25,100	0,30%	25,175	7 500,00
Favourable	25,100	1,00%	25,351	25 100,00

#### Short position - sale of 100,000 EURCZK

Scenario	Opening odds position	Exchange rate change in %	Reference fixing at maturity	Profit / Loss [CZK]
Stress	25,100	1,50%	25,477	-37 700,00
Unfavourable	25,100	0,50%	25,226	-12 600,00
Moderate	25,100	-0,30%	25,025	7 500,00
Favourable	25,100	-1,00%	24,849	25 100,00

The scenarios presented are estimates of future performance based on past facts regarding rate developments and are not an accurate indicator. The stress scenario shows what you can get back or what you will have to pay in extreme cases. The figures shown include all costs of the product itself, but do not take into account your tax liability or any other costs associated with the consultancy.

### III. What happens if AKCENTA is unable to pay out?

If AKCENTA fails to meet its obligations under this product or is unable to make a payment, you may lose all or part of your payment or suffer an unlimited loss. This product is not protected by any deposit insurance scheme, statutory or other insurance.

### IV. What are the costs?

The amounts shown represent the cumulative cost of the Zero-cost option strategy for a period of 365 days. These figures are estimates and may change over time. The table below shows the impact of each cost on the return on investment.

<b>One-off costs</b>	The fee is charged when the transaction is opened.	0%
<b>Running costs</b>	Subsequent running fees associated with holding product positions/fees in the underlying asset market.	0%
<b>Collateral composition</b>	The amount of collateral is based on the size of the investment and the financial stability of the client. The collateral is deposited in a separate client IPU account.	1-20%
<b>Swap points</b>	The fee relates to the funding of the position and is charged at the time the position is held for the next day/period.	

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

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

For this particular product, the usual holding period is 1 year, but the purchase of this option should match your cash flow requirements. There is no minimum holding period, but the product is more profitable if held for a minimum of 1 year and a maximum of 24 months. Generally, the option should be held until maturity, but can be exercised earlier on request. Depending on the market value of the product, you may make a profit or loss upon termination.

### VI. How can I complain?

All the necessary information for the handling of complaints and claims can be found at <https://www.akcenta.com/claims-form>. The details are listed in the Claims Policy, which is also available on the website. Under the conditions set out in the legislation, you can contact the Czech National Bank ([www.cnb.cz](http://www.cnb.cz)) or the Financial Arbitrator ([www.finarbitr.cz](http://www.finarbitr.cz)).

### VII. Other relevant information

For more information on this product, please visit our website <https://www.akcenta.com/forward-transactions> or contact the relevant AKCENTA CZ expert at +420 498 777 800.