

Key Information Document

Exchange Traded Derivative – Long Put Option

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

| | |
|---------------------|---|
| PRIIP Name | Exchange Traded Derivative - Long Put Option |
| PRIIP Manufacturer | Exchange venue specific to the option traded. |
| Website | Contact details specific to the exchange venue. |
| Telephone | Contact details specific to the exchange venue. |
| Competent Authority | Authority specific to the exchange venue. |
| Date | 2nd January 2018 |

ALERT

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

What is this product?

Type

Exchange Traded Derivative ("ETD") - Long Put Option

Objectives

A long put option position provides you with the right but not the obligation to sell an underlying instrument at an agreed price within a specified time. The cost of this right is the option premium that you pay to open the long position. The basic option strategy is that the price of the underlying will fall below the agreed strike price before the option expiration date. The value of the option will depend on the price of the underlying instrument, expected dividends (if any), the option strike price, expected market interest rates, time to expiration, instrument volatility and the type of option contract (American or European). The value of any option contract is complex and while a long position typically enables you to benefit from a fall in the underlying it may not necessarily result in profit above the option premium. A long option requires that you pay the seller the value of the option premium in cash. A long option is a leveraged product; the buyer receives exposure to the notional value of the underlying instrument that is greater than the option premium paid.

Intended retail investor

This product is intended for investors who want to gain exposure to the underlying instrument and cannot lose more than the option premium paid.

Term

There is no predetermined investment holding period although the contract will expire according to its expiration date.

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

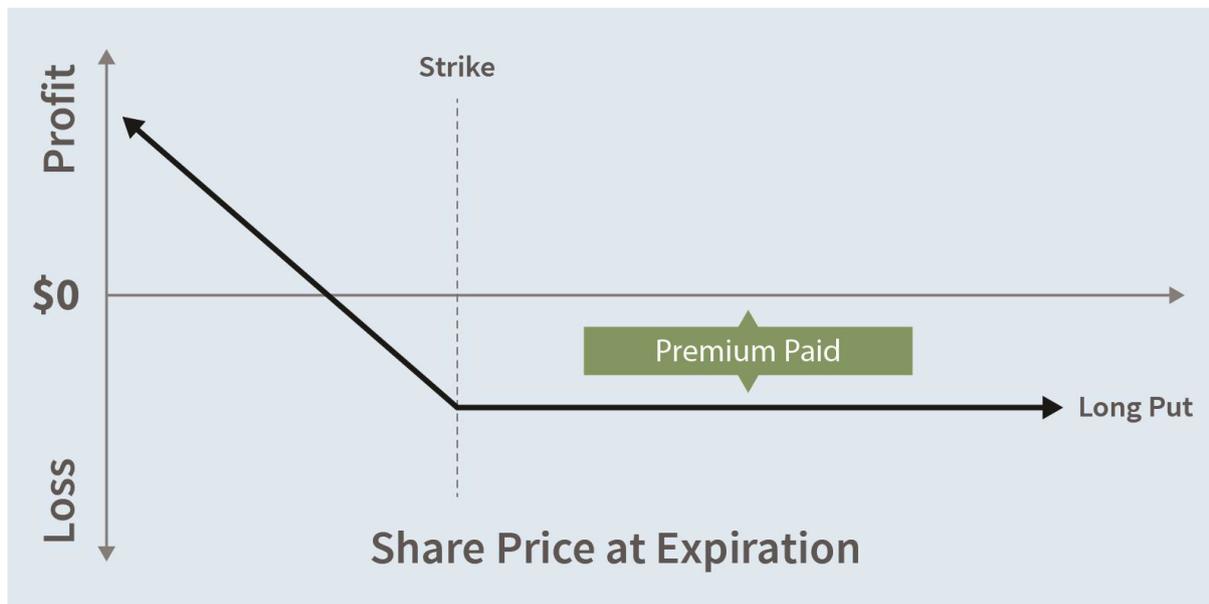
Risk Indicator



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 markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level in poor market conditions. **Be aware of currency risk. When you deal in an option that is denominated in a currency other than the base currency or a currency you have on a deposit in your account with us, all margins, profits, losses and financing credits and debits in relation to that option are calculated using the currency in which the option is denominated. This risk is not considered in the indicator shown above.** This product does not include any protection from future market performance so you could lose some or all of your investment. You may not be able to close your position easily or you may have to sell at a price that significantly impacts your realised profit/loss.

Performance Scenarios

Long Put Option Payoff Graph



This graph illustrates how your investment could perform. You can compare them 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. The horizontal axis shows the various possible prices of the underlying value on the expiry data and the vertical axis shows the profit and loss. Buying this product holds that you think the underlying price will decrease.

The maximum loss is restricted to the cost of the option premium paid. The underlying must move above a level defined by the agreed price ("strike price") combined with the option premium for the contract to be "in the money" else the contract will expire worthless ("out of the money"). An option contract held until expiration may result in a cash payment if the option is in the money (a cash delivery) or the option to buy the underlying for the agreed price (a physical delivery).

What happens if the PRIIP Manufacturer is unable to pay out?

The PRIIP Manufacturer for an Exchange Traded Derivative is the exchange itself or an associated clearinghouse which acts as guarantor for the contracts it issues. In the event of a default by the relevant manufacturer or clearinghouse your position may become subject to default procedures in accordance with its clearing rules, which may ultimately expose you to a risk of financial loss. If you are in any doubt as to your position you should seek independent professional advice.

What are the costs?

The table below shows the cost categories related to ETD Long Call Option instrument:

| | | | |
|-------------------------|-----------------------------|---|--|
| One-off costs | Entry costs | EUR 6 per contract | Brokerage Commissions. |
| | Exit costs | EUR 6 per contract | Brokerage Commissions. |
| | Exercising the option | EUR 17 per contract | Brokerage Commissions. |
| Ongoing costs | Portfolio Transaction costs | 0% | Not Applicable |
| | Other on-going costs | 0,025% of average market value per month, minimum of EUR 2 per month for the whole account (0,015%)***. | Account management fee, applicable for the whole securities account with market value of less than EUR 30,000. *pricing applicable for account value exceeding EUR 30,000. |
| Incidental costs | Performance fees | 0% | Not Applicable |
| | Carried interest | 0% | Not Applicable |

** VAT is added to monthly account management fee.

For calculating the dynamic effects of costs on your investment return, please refer to [LHV income and expense calculator for options transactions](#).

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

Recommended holding period: NO RECOMMENDED HOLDING PERIOD

There is no recommended holding period or minimum holding period. There are no consequences of you choosing to close your position other than ending your exposure to the underlying at that time. The contract will expire on the expiration date specified in that option contract.

How can I complain?

Complaints about the product, the conduct of PRIIP Manufacturer should be addressed to LHV Pank AS, Tartu mnt 2, 10145, Tallinn, Estonia, info@lhv.ee.

Other relevant information

Other information, full trading price information and information about the trading terms and conditions about the product can be found from www.lhv.ee. The information may be provided in summary format, including a link to the website where further details other than the documents referred to are made available.