

### 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

**Product name:** FX Swap - Sell USD (near leg)

**Manufacturer:** Coöperatieve Rabobank U.A. ('Rabobank')

**Contact:** For more information call +31 (30) 7123673 or go to our website [www.rabobank.nl/priips](http://www.rabobank.nl/priips)

**Competent authority:** Dutch Authority for the Financial Markets

**Date:** 17-6-2021



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

### What is this product?

**Type:** OTC - Derivatives contract (OTC means over the counter and indicates that the transaction is not executed on a trading platform).

#### Objectives:

Purpose: An FX Swap is used to mitigate a temporary surplus in one currency and a deficit in another currency.

When you enter into an FX Swap some of the elements that are agreed upon are as follows:

Near leg:

- The amount of currency you sell ('notional near leg')
- The amount of currency you receive
- The date upon which you sell the currency; this date is before the date of the far leg
- The exchange rate of the currency pair ('spot rate')

Far leg:

- The amount of currency you buy ('notional far leg')
- The amount of currency you pay with
- The date upon which you buy the currency, this date is after the date of the near leg
- The exchange rate of the currency pair ('forward rate')

**Method:** An FX Swap is a combination of two transactions on different dates. You buy the currency in the near leg and sell this currency in the far leg.

This can lead to the following outcomes:

- If two business days prior to the near leg or far leg the exchange rate applicable at that moment is more favourable to you than the agreed exchange rate, then you still buy or sell the notional amount as previously agreed. You will not benefit from the more favourable exchange rate.
- If two business days prior to the near leg or far leg the exchange rate applicable at that moment is less favourable to you than the agreed exchange rate, you still buy or sell the notional amount as previously agreed. You will not have a disadvantage from the less favourable exchange rate.

**Return:** The difference in the exchange rate of the near leg and the far leg.

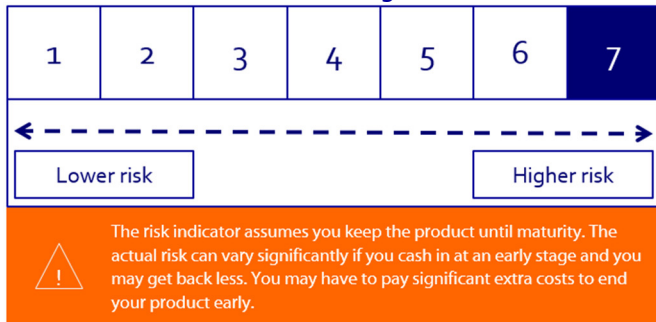
**Termination:** You cannot terminate the FX Swap, however you can always engage in an opposite transaction. By doing this you enter into a new transaction where you buy the previously sold notional amount. The new transaction has a tenor equal to the remaining term of the original transaction. The FX Swap can be unilaterally terminated or adjusted by Rabobank. This is only possible in the situations described in the Financial Derivatives Agreement (FDA), unless you agreed otherwise with Rabobank. For more information on the effects of termination please read the section 'How long should I hold it and can I withdraw money earlier?'

**Intended retail investor:**

To make use of this product, you are required to be a Rabobank client and you must have been given access to the product. The product description should be read in advance, so that you understand how this product works and understand the risks. Additionally, we expect you to understand the concept of hedging risks and how this product can be used for hedging. Moreover, you should understand which factors influence the price of a contract (such as exchange rate and interest rate) and the difference between a spot- and swap transaction. You should also understand the basis of currency-, interest rate-, liquidity- and country risk. Furthermore, you should understand how market value is established, and that this product is a bilateral contract between you and Rabobank. This product must be used for hedging purposes only; you may hedge up to a maximum of 100% of the underlying risk. The maximum time to maturity is three years; a transaction with a time to maturity longer than two years requires approval by Rabobank. With this product you are hedging currency risk by fixing the future exchange rate, notional amount and date, with the purpose of optimizing working capital. As such, you do not profit nor experience negative effects from future exchange rate fluctuations. You may lose 100% of the invested amount; in certain cases you may lose more.

The recommended holding period for the FX Swap is equal to the duration of the underlying risk. In our example we use 12 months for this period.

**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. We have classified this product as class 7 out of 7, which is the highest risk class. All derivatives are classified as category 7 by definition. As the FX Swap is a derivative the product is placed into the highest risk class

**Be aware of currency risk. You will receive payments in a different currency, so the final return you will get 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 may be significant.** This product does not include any protection from future market performance so you could incur significant losses. If we are not able to pay you what is owed, you could incur significant losses.

Nominal amount 10.000 EUR		12 months (Recommended holding period)
<i>Scenario's*</i>		
<b>Stress scenario</b>	<b>What you might get back or pay after costs</b>	-2.581,52 EUR
	Average return/loss over nominal amount each year	-25,82%
<b>Unfavourable scenario</b>	<b>What you might get back or pay after costs</b>	-988,11 EUR
	Average return/loss over nominal amount each year	-9,88%
<b>Moderate scenario</b>	<b>What you might get back or pay after costs</b>	-133,58 EUR
	Average return/loss over nominal amount each year	-1,34%
<b>Favourable scenario</b>	<b>What you might get back or pay after costs</b>	800,79 EUR
	Average return/loss over nominal amount each year	8,01%

*\*For this product (an OTC-derivative) the percentages in the performance scenarios will be calculated by dividing the performance of the product by the notional amount of the contract. These percentages are calculated over the recommended holding period. The performance of the product will be determined by the development of the exchange rate minus the applicable costs.*

This table shows the money you could get back or pay during the recommended holding period, under different scenarios, assuming a nominal value of 10,000 EUR. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. **Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.** 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. What you get will vary depending on how the market performs and how long you keep the investment/product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. This product cannot be ended. This means it is difficult to estimate how much you would get if you end before maturity. You will either be unable to end early or you will have to pay high costs or make a large loss if you do so. The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

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

When Rabobank is not able to meet its obligations, the payments to be made by Rabobank are not covered by the Dutch Investor Compensation Scheme (beleggerscompensatiestelsel) or any other government or private protection scheme or guarantee. This means you may face a financial loss.

### What are the costs?

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, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself. They include potential early exit penalties. The figures assume a nominal value of 10,000 EUR. The figures are estimates and may change in the future.

**Table 1: Costs over time:** 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 the notional amount over time.

<i>Nominal amount 10.000 EUR</i>	<i>If you end after 12 months</i>
Total costs	41,00 EUR
Impact on return (RIY) per year	0,42%

**Table 2: Composition of costs:** The table below shows:

- The impact of the different types of costs on the performance of the product at the end of the recommended holding period;
- the meaning of the different cost categories.

*This table shows the impact on return per year*

one-off costs	Entry costs	0,42%	The impact of the costs you pay when entering your investment. The impact of the costs already included in the price. This is the most you will pay, and you could pay less. In addition the distribution costs per transaction are: online 0 EUR; by phone 250 EUR. These costs will be fixed when entering your contract.
	Exit costs	0,00%	The impact of the costs of exiting your investment when it matures.
ongoing costs	Portfolio transactions costs	0,00%	The impact of the costs of us buying and selling the underlying investments for the product.
	Other ongoing costs	0,00%	The impact of the costs that we take each year for managing your investments.
incidental costs	Performance fees	0,00%	The impact of the performance fee.
	Carried interests	0,00%	The impact of carried interests.

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

The recommended holding period: the duration of the underlying risk.

In our example we use 12 months for this period. The FX Swap is intended to hold until the end date in order to hedge the currency risk. The end date will be agreed with you.

The product cannot be terminated, however you can always enter into an opposite transaction. By doing this you enter a new opposite transaction. The tenor of this new transaction equals the remaining term of the original transaction.

### How can I complain?

Do you have a complaint about the information provided or the functioning of the product? You can file a complaint at the website: [www.rabobank.nl/klachtbedrijven](http://www.rabobank.nl/klachtbedrijven) or send an e-mail to [treasury@rabobank.nl](mailto:treasury@rabobank.nl) or via the following postal address: Rabobank Klachtenservice, Antwoordnummer 750, 3500 ZJ Utrecht. We will then handle your complaint and provide you with a feedback as soon as possible.

### Other relevant information

This document should be read as an introduction. The decision to enter into the FX Swap or not should amongst others be based on all information provided by Rabobank. More information about the FX Swap, the market value and how you can use the product, can be found in the product leaflet. Please read the brochure Currency Risk Management for more information about our services. The product leaflet and brochure are only available in Dutch. You can request a paper version of the Key Information Document free of charge.