capital.com

Key Information Document (KID) – KOs on Interest Rates

Purpose:

This document provides you with key information about this investment product. This shall not be intended as a marketing material. The information is required by law to help you understand the nature, costs, risks, potential gains and losses of this product and to help you compare it with other products.

Product:

Knock-out options (the "KOs") on Interest Rates.

Manufacturer of the Product: Capital Com SV Investments Ltd (the "Capital Com" and/or the "Company") is authorized and regulated by the Cyprus Securities and Exchange Commission (the "CySEC") with License Number 319/17 and operates as a Cyprus Investment Firm (the "CIF"). The Company's registered office is located at 66 Christaki Kranou, 7th floor, City Tower, 4042, Germasogeia, Limassol, Cyprus. Please see below further details and information:

- The Company's official website is https://capital.com/en-eu.
- Further information, including how to contact us can be found on our website. Alternatively, you can reach us by phone at +357 25 123 646.
- CySEC is the competent authority responsible for supervising Capital Com in relation to this Key Information Document.
- The Company acts as both the manufacturer and distributor of KOs on Interest Rates offered through its trading platform(s).

Last Revision Date: This KID was last updated on [28/09/2026].

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

WHAT IS THIS PRODUCT?

Type: Capital Com offers KOs across a range of underlying asset classes, including, but not limited to Interest Rates. KO on an Interest Rate is a derivative product which is traded Over the Counter (the "OTC") and give you the right to speculate on the direction of a specific underlying asset upon the payment of an Option Price and that may become worthless if the price of the said underlying reaches the Knock Out level (KO level) price. You make either profit or loss depending on the fluctuations in the value of the KO, which is directly influenced by the price of the relevant underlying asset. A list of underlying Interest Rates for KOs offered by Capital Com can be found at https://capital.com/en-eu/markets.

Term: KOs on Interest Rates are generally used for short-term trading. A KO on Interest Rates has a one year maturity date and does not entail any minimum holding period. You may choose to close your trade at any time prior to maturity, provided the KO level has not been reached. Capital Com is entitled though to (automatically) close open trade(s) without seeking your prior consent if you do not maintain sufficient equity in the trading account. Each KO includes a predetermined KO level, which is selected by you when opening the trade. If the underlying asset's price reaches or crosses the KO level at any point during the life of the trade, the KO is automatically terminated at zero value, and the full Option Price paid is lost. For certain underlying assets, a trading adjustment may be applied to reflect specific market conditions. This adjustment is cash-neutral and does not represent a fee charged by the Company. Depending on the instrument, the adjustment may be embedded into the overnight funding adjustment, or alternatively reflected through the Daily Premium Adjustment (the "DPA"). Details for each instrument can be found in the "Market Info" section of the trading platform.

Objective: KOs are complex financial instruments whose returns are directly linked to the price movements of an underlying asset, such as an Interest Rate. The value of the KO trade fluctuates based on the underlying asset's price in relation to the selected KO level. If you anticipate that the price of the underlying asset will rise, you may open a Call KO trade. Conversely, if you expect the price to fall, you may open a Put KO trade. The number of KOs (size in options) is selected at the time of placing the trade. If the market moves in your favour, the KO may result in a profit. If the market moves against your expectation, losses will occur. However, this also means that adverse price movements can lead to the full loss of the amount invested. If the underlying asset reaches the predetermined KO level, the KO trade is automatically terminated at zero value. KOs are not suitable for passive or long-term investment strategies. Due to their short-term nature and sensitivity to price fluctuations, they require active monitoring. Investors who cannot regularly follow market movements should not trade KOs.

Intended retail investor: This product is intended for retail investors who have sufficient knowledge and experience in trading, and who are capable of understanding and willing to accept the risks associated with short-term trading in derivative instruments. Retail investors should understand how KOs are priced, including the significance of the KO level, and accept the possibility of losing the entire amount invested due to the structure of the product. The product is suitable for investors with speculative, hedging, short-term, long-term (when part of a broader diversification strategy), or portfolio diversification objectives. It is intended for investors who have adequate financial resources and are able to bear the full loss of their initial investment.

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 unable to pay you. The Company has classified this product as 7 out of 7, which represents the highest risk category. This rating reflects the very high potential for losses based on future performance and the strong likelihood that poor market conditions could significantly impact the value of the product. KOs on Interest Rates are high-risk instruments that can result in rapid losses due to adverse movements in the underlying market. For retail clients, losses are limited to the total funds available in their trading clients, total losses are limited to the amount invested. There is no capital protection against market risk, credit risk, or liquidity risk. Please refer to our Terms and Conditions for more details.

Important Note: Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. 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. If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from the Investor Compensation Fund (the "ICF") (see the section "What happens if Capital Com is unable to pay you?"). The indicator shown above does not consider this protection.

Performance Scenarios

This KID applies to a KO on Interest Rates available on the Company's platform. However, each KO you enter into is specific to

capital.com

you and your choices i.e. you shall choose the underlying Interest Rate; the size of your position; when you open and close your position; and whether to use any risk management tools we offer such as stop loss orders.

What you will get from this product depends on future market performance. Although future market performance is uncertain and cannot be accurately predicted, past performance is also not a reliable indicator of future performance.

Product: KO on U.S. 10-Year Treasury Yield Interest Rate positions Holding period: 1 day KO Option Premium: USD 10,000 Distance of KO Level from underlying market at the time of purchase: 5%		**Call (in USD)**	**Put (in USD)**
Minimum	There is no minimum guaranteed return. You could lose some or all of your investment.		
Stress**	Profit or loss after costs	-27.55	-27.32
	Percentage return	-0.28%	-0.27%
Unfavourable	Profit or loss after costs	-20.70	-20.44
	Percentage return	-0.21%	-0.20%
Moderate	Profit or loss after costs	-12.18	-12.04
	Percentage return	-0.12%	-0.12%
Favourable	Profit or loss after costs	-3.74	-3.56
	Percentage return	-0.04%	-0.04%
Based on daily returns on U.S. 10-Year Treasury Yield Interest Rate over the last 10 years. Maximum upward move 31.17%. Maximum downward move -22.69%. Average daily move 0.04%.			

* The figures shown include all the costs of the product itself. The figures do not take into account your personal tax situation, which may also affect how much you get back.
** The trade will be automatically liquidated worthless once the price of the underlying asset reaches the KO level.
*** The return is calculated as a percentage over the notional amount.

The table above illustrates how the investment could perform in favourable, moderate, unfavourable and stress conditions, in regard to KOs on Interest Rates. You can compare them with the scenarios of other products. 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. Profit and loss will vary depending on how the underlying market performs and how long you keep the trade open. The favourable, moderate, unfavourable scenarios shown are illustrations using the worst, average, and best performance of the product over the last 10 years. Markets could develop very differently in the future. The stress scenario shows what you might get back in extreme market circumstances. The performance scenarios assume you only have one open trade and do not take into account the negative or positive cumulative balance you may have if multiple trades are open.

What happens if Capital Com is unable to pay out?

In the event that Capital Com becomes insolvent or defaults, you may lose the entire value of your investment. Capital Com is a member of the Investor Compensation Fund (ICF) for clients of Cyprus Investment Firms (CIFs). The ICF provides compensation to eligible Retail Clients if the Company is unable to meet its financial obligations toward them. Compensation eligibility depends on your individual circumstances and is subject to the rules of the ICF. Any compensation payable will not exceed twenty thousand euros (€20,000) or 90% of the claim amount, whichever is lower. For more detailed information, please refer to our Investor Compensation Fund Policy or visit the ICF's official page on the CySEC's website https://www.cysec.gov.cy/en-GB/investor-protection/tae/. The Company offers enhanced client insurance at no cost, covering all EU retail clients, as well as those in Norway, Iceland, and Liechtenstein. In the unlikely event of Capital.com's insolvency, this private policy protects client funds beyond the €20,000 covered by the ICF, up to €1,000,000 per client. This coverage is independent of the ICF.

WHAT ARE THE COSTS?

Before you begin to trade KOs on Interest Rates you should familiarise yourself with all associated costs and charges for which you will be liable. These charges will reduce any net profit or increase your potential losses. For more information on the associated costs and charges please visit our website.

Costs Over Time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product, product type, and underlying asset performance. The amounts shown here are illustrations based on an example investment of USD 10,000, assuming the position is opened and closed on the same day. This reflects the cost impact for a holding period of less than one year. Please note that the percentage figures shown are based on the example scenario and cannot be directly compared to cost figures provided for other PRIIPs, as they may differ in structure, assumptions, and holding periods.

Notional Amount: USD 10,000	**Call**	**Put**
Total Costs (in USD)	-12.14	-12.14
Cost Impact (*)	-0.12%	-0.12%

** This illustrates costs in relation to the notional value of the product.*

Composition of Costs

One-off costs			**Cost Impact**	
			Call	**Put**
Entry and Exit Costs	**Spread**	The "spread" is the difference between the lower and the higher price of a given underlying asset selling price and buying price. Capital Com spreads are set at its absolute discretion, are already included in the price you pay and **any** changes are effective immediately. All spreads are variable and charged automatically once a trade is opened. Specifically, these costs are already included in the Option price paid. The methodology for calculation is the following: **Spread = (Call – KO Level) – (Put – KO Level) = Call – Put x Total**	-1.04 USD - 0.010422%	

capital.com

One-off costs			Cost Impact	
			Call	Put
		Quantity. For more information, please refer to our website.		
	KO Fee	When you open a KO trade, a so-called KO fee applies. The purpose of this charge is to enable the Company to manage the risks associated with potential slippages that may bring the underlying asset price much above/below the KO level (the price where the trade is automatically closed as worthless). In any case, if the KO trade is closed without triggering the KO level mechanism, the mentioned fee will be recredited to your account. The method of calculation of the KO fee is the following: KO Fee: **(Opening price x Quantity x Adjusted Opening FX Rate) x KO Fee %**	- 10 USD - 0.10%	
Ongoing costs				
Management fees and other administrative or operating costs	**Overnight fees**	If you keep a trade open overnight (after a certain cut-off time), an overnight funding adjustment is subtracted or credited to your account, depending whether the overnight funding adjustment is negative or positive. Overnight funding adjustments are variable and available per instrument on the website. These overnight funding adjustments for KOs on Interest Rates are calculated as follows: **Current Mid Price x Quantity x Overnight Funding Adjustment % (variable rate)**.	-1.10 USD -0.01096%	- 1.10 USD -0.01096%
	Inactivity fee	Inactive accounts are subject to a monthly charge of **0 EUR/USD/GBP** (or the equivalent of EUR) after one (1) year of inactivity, relating to the maintenance / administration of such inactive accounts. Find more on Inactive Account in our Terms and Conditions.	0 USD per account per month *(if applicable)*	
Incidental costs taken under specific conditions				
Incidental costs	**Currency Conversion Fee**	Investors who convert transactions, including, but not limited to, profits, losses, and overnight funding adjustments, from or to their account's default currency are subject to a variable foreign exchange (FX) conversion fee, applied to the applicable exchange rate at that moment. In cases of deposits made in a currency other than the account's default currency, Capital Com may suggest a conversion. Capital Com conversion rates are dynamic and will be displayed during the deposit process. No additional FX fee will be applied to such deposits. As an example, assuming that the currency conversion fee is at 0.10%, if a USD 100 profit is converted back to EUR 90 at an exchange rate of 1.10, a fee of EUR 0.09 will be applied (EUR90 * 0.1%) For full details, please refer to the Fees and Charges section of our website.	*Variable* *(please refer to the Fees and Charges)*	
Additional costs	**% - N/A**	You should be aware of the possibility that other taxes or costs may exist that are not paid through or imposed by us. It is your sole responsibility to bear these additional costs.		

**This illustrates costs in relation to the notional value of the product.*

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

KOs on Interest Rates generally have no recommended holding period since you decide when to close your position(s). You should monitor the product to determine when the appropriate time is to close your position(s), which can be done at any time during normal trading hours (see our specific trading here). This may temporarily be unavailable in exceptional market situations though, during which you should contact us. Aside from the costs outlined under the "What are the costs?" section, there are no additional fees for opening or closing KO trades.

HOW CAN I COMPLAIN?

In the event you are dissatisfied with a financial product or service provided to you by Capital Com, you are entitled to lodge a complaint at any time and free of charge. The complaint may be submitted via email to complaint@capital.com or the complaints online website form. For further details regarding the complaints handling process you may refer to our website: https://capital.com/en-eu/terms-and-policies/complaints-procedure. Where you believe that your complaint was not fairly handled and you are not satisfied, you have the right to refer the matter to the Financial Ombudsman of the Republic of Cyprus (see details here), or to the CySEC(see details here).

OTHER RELEVANT INFORMATION

Further information with regards to this product can be found on our website in the "Markets" section https://capital.com/en-eu/markets. You should ensure that you read and acknowledge our legal documents, which include, *inter alia*, the Terms and Conditions, Risk Disclosure Statement, Order Execution Policy, Client Categorisation, Complaint Handling Policy. An indicative list with links to the relevant documents can be traced here. Such information may also be provided to you upon request.