



ETD Short Call Option

Key Information Document

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.

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

Product

PRIIP Name	Exchange Traded Derivative - Short Call 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	4 th October 2019

What is this product?

Type

Exchange Traded Derivative ("ETD") – Short Call Option

Objective

A short call option position provides you with the obligation to sell an underlying instrument at an agreed price within a specified time. The cost of this obligation is the option premium that you receive to open the short 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 short position typically enables you to benefit from a fall in the underlying should the underlying rise you can lose more than the option premium you received for selling the option. A short option means that you receive the option premium in cash when you open the position but should the underlying rise you will be obligated to ensure your account has enough funds to cover your exposure. The exposure margin is based on the historical volatility of the underlying and other factors. A short option is a leveraged product; the seller receives exposure to the notional value of the underlying instrument that is greater than the option premium received.

Intended Retail Investor

This product is intended for investors who want to gain exposure to the underlying instrument and are prepared to lose more than the option premium received.

Insurance Benefits

None

Term

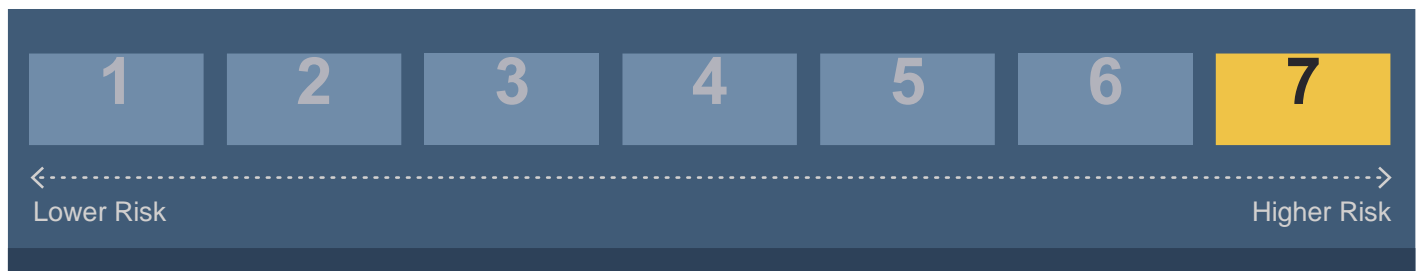
There is no predetermined investment holding period although the contract will expire according to its expiration date. It is possible that some types of options ("American" options) are exercised early by the buyer and you, the seller, can be allocated by the exchange to fulfill your obligation.

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 market.



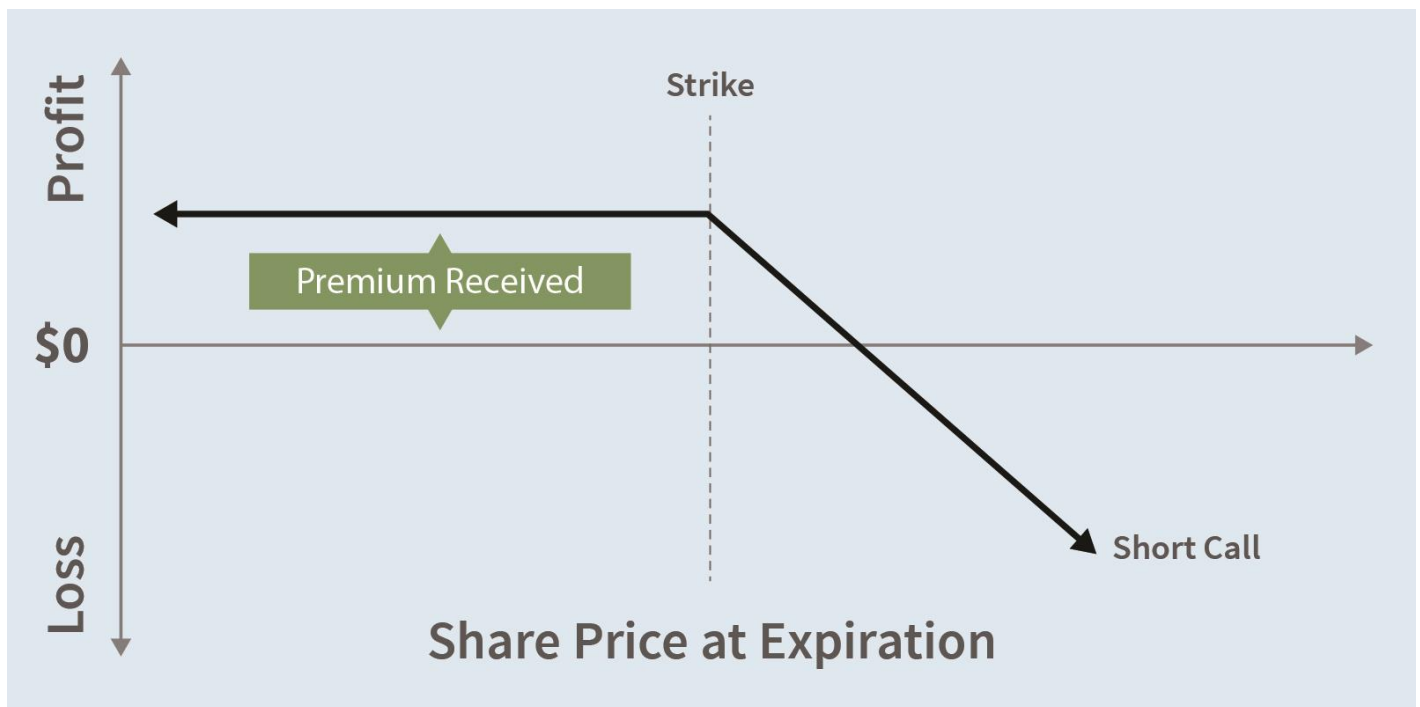
Risk Indicator



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. 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.** In some circumstances you may be required to make further payments to pay for losses. **The total loss you may incur may significantly exceed the amount you received to sell the option.** 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 realized profit/loss.

Performance Scenarios

Short Call Payoff Graph



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 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 date and the vertical axis shows the profit and loss. Selling a call option holds that you think the underlying price will remain the same or decrease. The maximum profit is restricted to the option premium received while the maximum loss is unlimited and determined by the rise in the underlying. The underlying must move below a level defined by the agreed price ("strike price") combined with the option premium for the contract to expire "out of the money" else the contract will expire "in the money" and you will incur a loss that may exceed the option premium received. A short option contract held until expiration may result in you keeping the option premium received if the option expires "out of the money". If the option expires "in the money" you will be obligated to sell the underlying for the agreed price (a physical delivery) or to settle in cash the losses you have incurred (a cash 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. Client funds held by IBUK are segregated from its own money as required by the UK FCA Client Assets rules. If IBUK was unable to pay out, retail investors and certain other investors may be eligible for compensation from the Financial Services Compensation Scheme up to GBP 50,000 but may otherwise lose all of their initial investment and any returns generated on their initial investment.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are cumulative costs of the product itself, over the recommended holding period. They include potential early exit penalties. The figures assume you invest \$1,000. The figures are estimates and may change in the future.

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 your investment over time.

Estimated Holding Period	An exchange traded derivative can be held unto the specified contract expiration date or, dependent on option type, exercised early.
Investment	Premium specific to the option contract.
Notional Amount	Specific to the option contract.
Total Costs	Specific to the option contract.
Impact on Return	Specific to the option contract.

Composition of Costs

The table below shows:

- The impact each year of the different types of costs.
- What the different cost categories mean.

This table shows the impact on return per year			
One-off costs	Entry costs	USD 0.25 – 6.75 per contract	Brokerage Commissions. This is the most you will pay, and you could pay less.
	Exit costs	USD 0.25 – 6.75 per contract	Brokerage Commissions. This is the most you will pay, and you could pay less.
Ongoing costs	Portfolio Transaction costs	0%	Not Applicable
	Other on-going costs	0%	Not Applicable
Incidental costs	Performance fees	0%	Not Applicable
	Carried interest	0%	Not Applicable

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

Recommended (required minimum) holding period: None

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 or certain types of option allow the holder to exercise early and you may be allocated by the exchange to fulfill your obligations as the seller of the option contract.

How can I complain?

Complaints about the product, the conduct of *PRIIP Manufacturer* should be addressed to Interactive Brokers (U.K.) Limited, Heron Tower, 110 Bishopsgate (Level 20), EC2N 4AY London (complianceuk@interactivebrokers.com). Web link; <http://www.interactivebrokers.co.uk/ukcomplaints>.

Other relevant information

There are further details on the Futures Product Listings page on the Interactive Brokers webpage (<http://www.interactivebrokers.com/en/index.php?f=products&p=opt>).