



Grade-A Copper

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.

Product

Product Name	OTC Metal Future - Grade-A Copper
Product Manufacturer	Interactive Brokers (U.K.) Limited (IBUK)
Website	www.interactivebrokers.co.uk
Telephone	Call 00800-42-276537; +44 207-710-5695 for more information
Date of KID	22 March 2024

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

What is this product?

Type

An Over the Counter Derivative (OTC) Future - OTC Metal Future

Objectives

An OTC Metal Future is an OTC transaction with IBUK as your counterparty that reflects the terms of a metal exchange contract to buy or sell a standard quantity of a metal on a fixed date at a price agreed on transaction day. The transaction you enter with IBUK is OTC and it is not a metal exchange registered client contract. You agree to close the open OTC Metal Future position 3 business days before expiration and to settle in cash the difference in price between the value of the contract at the time it was traded and the current market value. The difference to be exchanged is determined by the change in the reference price of the underlying and whether or not you are the buyer or the seller. Thus if the underlying rises in price, and you are long future, you will receive cash from IBUK and vice versa. A future can be bought long or sold short to suit your view of the market direction of the underlying instrument.

An OTC Metal Future is a leveraged product that requires you to deposit a small amount of cash as margin rather than paying the full value of the underlying. The level of leverage depends on the margin requirement for the individual futures contract. You will pay an initial margin upfront when the position is opened. IBUK establishes the minimum margin requirements based on historic volatility of the underlying and other factors.

An OTC Metal Future has a pre-defined maturity date (i.e., it is not an open-ended investment). There is no recommended holding period however, although the contract will expire according to its expiration date. Your position will only be kept open to the extent that you have available margin.

Intended Retail Investor

Trading in this product will not be appropriate for every investor. This product is intended for investors who have knowledge of, or are experienced with, leveraged products; who have a high risk tolerance; and who understand that they may lose more than originally invested.

Insurance Benefits and Costs

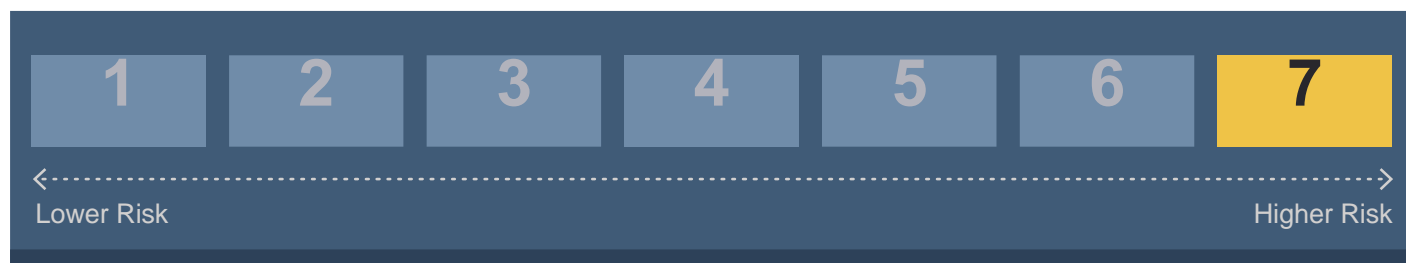
None



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



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, which can result in a total loss of the capital you invested in this product. **Be aware of currency, leverage, counterparty, margin, slippage, and technical risks. All margins, profits, losses, charges and financing credits and debits in relation to a contract are calculated using the currency in which the contract is denominated, exposing you to fluctuations in the value of that currency if it is not the base currency of your account. This risk is not considered in the indicator shown above.** If your account does not contain enough equity to meet applicable margin requirements your open positions will be liquidated. **The total loss you may incur may significantly exceed the amount invested.** You may not be able to close your position easily or you may have to close at a price that significantly impacts your realized profit/loss. Markets may fall overnight and we may not be able to close out your position at a price that would avoid losses greater than the margin originally deposited. This product does not include any protection from future market performance so you could lose some or all of your investment. If IBUK is not able to pay you what is owed, you could lose your entire investment.

Investment Performance Information

An LME OTC Future will make profits or incur losses as a result of price movements in the underlying future. The return on your investment will be affected by a combination of factors such as the macro-economic environment impacting industrial supply and demand for the metal, and additionally by demand for the metal as an investment. Prices for physical commodity futures tend to be highly volatile.

It is important to note that LME OTC Futures are leveraged products which means that losses and profits are magnified by the price movements of the underlying future.

If you buy or sell an LME OTC Future in a currency which is not the base currency of your account, the final return you may receive will depend on the exchange rate between the base currency and the currency used by the future.

What could affect my return positively?

An LME OTC Future opened at a Buy price will make a profit if closed at a higher Sell price. One opened at a Sell price will make a profit if closed at a lower Buy price.

Favorable developments in any, or in a combination of the factors mentioned above could positively impact your investment. In such circumstances the level of leverage inherent in an LME OTC Future will further enhance returns.

For example, if economic conditions are good and underlying demand for the metal is robust, you may see excellent performance. If underlying conditions are indifferent but investment interest is strong, you may also see a positive return.

What could affect my return negatively?

An LME OTC Future opened at a Buy price will incur a loss if closed at a lower Sell price. One opened at a Sell price will incur a loss if closed at a higher Buy price.

Adverse developments in the factors described above will in turn affect your investment negatively, and if they do, the leverage deployed in the LME OTC Future will multiply the loss. Should the value of your account fall below the maintenance margin requirement, Interactive Brokers may close out your position and the loss may exceed your account balance. You would have to reimburse Interactive Brokers for this excess loss.

In addition, significant losses may occur during periods of high market volatility due to leverage. As set out above, such volatility, even if temporary, can trigger automatic liquidations realizing your losses before the underlying future has an opportunity to recover.

What happens if IBUK is unable to pay out?

If IBUK is unable to pay out, you may lose the value of your investment. IBUK segregates all client funds from its own money as required by the UK FCA Client Assets rules. IBUK is a member of the Financial Services Compensation Scheme. This means that if IBUK is unable to pay out, retail investors and certain other investors may be eligible to make a claim of up to £85,000 but may otherwise lose all of their initial investment and any returns generated on their initial investment. Please refer to www.fscs.org.uk for detailed information and eligibility criteria.



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 for an estimated holding period of 4 weeks. 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.

Notional Investment \$10,000	If you cash in after 28 days
Total Costs	\$0.70
Cost Impact*	0.01%
*This illustrates how costs reduce your return over the assumed holding period. For example, it shows that if you exit after 28 days, your average return is projected to be -0,003% before costs and -0,01% after costs.	

Composition of Costs

The table below shows the:

- impact of the different types of costs on the investment return you might get
- meaning of the different cost categories

One-off costs upon entry or exit		Cost if you exit after 28 days
Entry costs	Brokerage Commissions of \$7.30 per contract. These are the costs you pay when entering your investment. This is the most you will pay, and you could pay less.	\$0.35
Exit costs	Brokerage Commissions of \$7.30 per contract. These are the costs you pay when exiting your investment. This is the most you will pay, and you could pay less.	\$0.35
Ongoing costs		
Management fees and other administrative or operating costs	There are no financing costs for this product.	N/A
Transaction Costs	There are no transaction costs for this product.	N/A
Incidental costs taken under specific conditions		
Performance fees	There are no performance fees for this product.	N/A

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

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 futures contract.

How can I complain?

Complaints about the product or the conduct of IBUK should be addressed to Interactive Brokers (U.K.) Limited, 20 Fenchurch Street, Floor 12, London EC3M 3BY (ibukcomplaints@interactivebrokers.co.uk). IBUK maintains a [Complaints Handling Procedure](#) where you can find more detail on how to submit a complaint and what to expect. In certain cases, you may refer your complaint to the Financial Ombudsman Service (**FOS**). Please find a copy of the FOS's [consumer leaflet](#).

Other relevant information

While this key information document is a detailed summary of this product, it does not contain all information relating to the product. For product specifications details (trading hours, margin calculation, leverage, contract sizes etc.) please refer to the [product section](#) available on our website. The terms and policies displayed on our website www.interactivebrokers.co.uk contain important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account.