



# Nickel Future

## Key Information Document (KID)

### 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	OTC Metal Future – Nickel
PRIIP Manufacturer	Interactive Brokers (U.K.) Limited (IBUK)
Website	<a href="http://www.interactivebrokers.co.uk">www.interactivebrokers.co.uk</a>
Telephone	00800-42-276537; +44 207-710-5695
Competent Authority	Financial Conduct Authority (FCA)
Date of KID	September 2022

### What is this product?

#### Type

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

#### Objective

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 the counterparty 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 position 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.

#### 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

None

#### Term

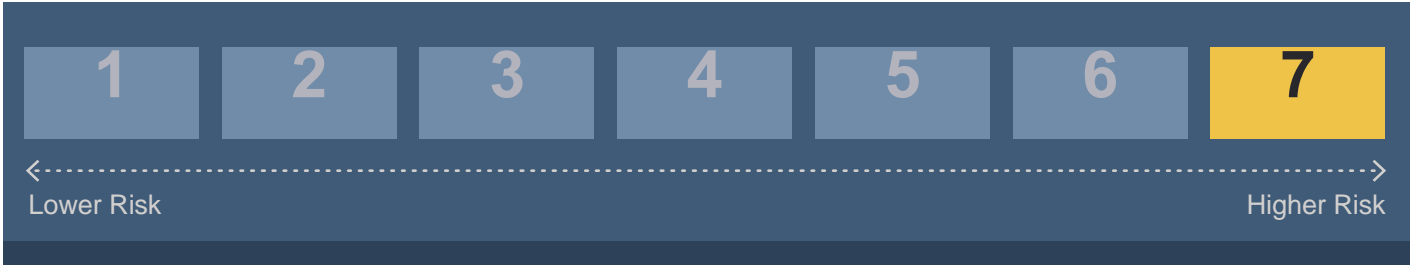
An OTC Metal Future has a pre-defined maturity date (i.e., it is not an open-ended investment). There is however no recommended holding period although the contract will expire according to its expiration date. Your position will only be kept open to the extent that you have available margin.

### 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 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.

## Performance Scenarios

Scenarios (assuming a \$81,245 investment held for 4 weeks)		Nickel Future
Stress Scenario	What you might get back after costs.	\$28,422
	Average return each month.	-65%
Unfavorable Scenario	What you might get back after costs.	\$61,980
	Average return each month.	-24%
Moderate Scenario	What you might get back after costs.	\$81,991
	Average return each month.	+1%
Favourable Scenario	What you might get back after costs.	\$131,754
	Average return each month.	+62%

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

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. 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 product and, importantly, whether or not you have sufficient funds in your account to sustain the losses depicted. IBUK will automatically liquidate positions if losses exceed the equity in the account.

The figures shown include all the costs of the product itself (see further below) but do 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. Opening a long position means that you think the underlying price will increase, and opening a short position means that you think the underlying price will decrease.

## 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](http://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 figures assume you invest \$81,245. 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 OTC Metal Future can be held unto the specified contract expiration date.
Investment	\$81,245
Notional Amount	\$193,440
Total Costs	-\$14.10
Impact on Return	-0.02%

## Composition of Costs

The table below shows:

- The impact 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	\$7.05 per contract	Brokerage Commissions. This is the most you will pay, and you could pay less.
	Exit costs	\$7.05 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 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 ([complianceuk@interactivebrokers.com](mailto:complianceuk@interactivebrokers.com)). 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](http://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.