



# Special High Grade Zinc Future

## 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

<b>PRIIP Name</b>	LME OTC Lookalike Platform - Zinc
<b>PRIIP Manufacturer</b>	Interactive Brokers (UK) Limited
<b>Website</b>	<a href="http://www.interactivebrokers.co.uk">http://www.interactivebrokers.co.uk</a>
<b>Telephone</b>	00800-42-276537; +41-41-726-9500
<b>Competent Authority</b>	Financial Conduct Authority
<b>Date</b>	4 <sup>th</sup> October 2019

### What is this product?

#### Type

An Over the Counter Derivative ("OTC") Future - LME OTC Lookalike Platform

#### Objective

A LME OTC Lookalike Platform 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 LME OTC Lookalike Platform 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.

A LME OTC Lookalike Platform 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

This product is intended for investors who want to gain exposure to the underlying instrument and who understand that by holding a future position they receive exposure to the underlying on a leveraged basis and may lose more than originally invested.

#### Insurance Benefits

None

#### Term

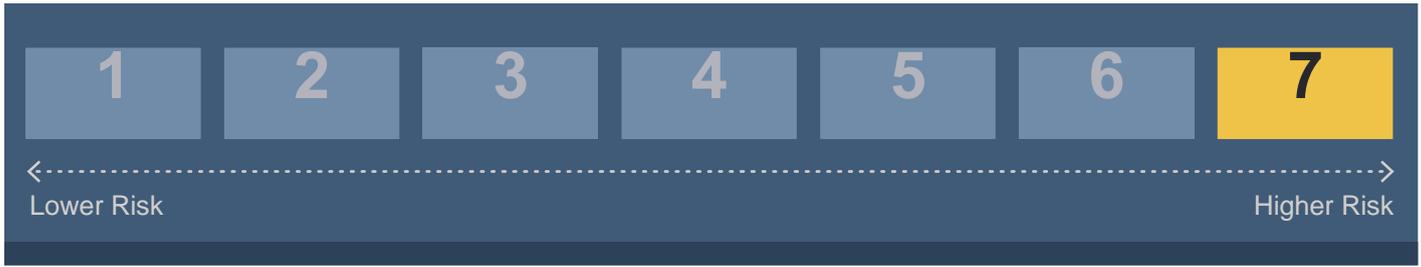
There is no predetermined investment holding period although the contract will expire according to its expiration date.

### 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 a contract 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 contract are calculated using the currency in which the contract is denominated. This risk is not considered in the indicator shown above.** In some circumstances, 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

### Short Put Payoff Graph

Scenarios (assuming a USD \$5,425 investment held for 4 weeks)		Special High Grade Zinc
Stress Scenario	What you might get back after costs. Average return each month.	\$-3,197 (-159%)
Unfavorable Scenario	What you might get back after costs. Average return each month.	\$-370 (-107%)
Moderate Scenario	What you might get back after costs. Average return each month.	\$5,107 (-6%)
Favourable Scenario	What you might get back after costs. Average return each month.	\$10,888 (+101%)

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 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 holds that you think the underlying price will increase, and opening a short position holds that you think the underlying price will decrease.

## What happens if the PRIIP Manufacturer is unable to pay out?

Interactive Brokers (U.K.) Limited segregates all client funds from its own money as required by the UK FCA Client Assets rules. In addition, IBUK participates in the Financial Services Compensation Scheme. This means that if Interactive Brokers (U.K.) Limited is unable to pay out, retail investors and certain other investors may be eligible for compensation 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 USD \$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	A LME OTC Lookalike Platform future can be held unto the specified contract expiration date.
Investment	USD \$5,425
Notional Amount	USD \$78,000
Total Costs	<b>USD \$14.60</b>
Impact on Return	<b>-0.27%</b>

## 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	<b>Entry costs</b>	<b>\$7.30 per contract</b>	Brokerage Commissions. This is the most you will pay, and you could pay less.
	<b>Exit costs</b>	<b>\$7.30 per contract</b>	Brokerage Commissions. This is the most you will pay, and you could pay less.
Ongoing costs	Portfolio Transaction costs	<b>0%</b>	Not Applicable
	<b>Other on-going costs</b>	<b>0%</b>	Financing costs based on the calculated margin.
Incidental costs	Performance fees	<b>0%</b>	Not Applicable
	Carried interest	<b>0%</b>	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, the conduct of *PRIP Manufacturer* should be addressed to Interactive Brokers (U.K.) Limited, Heron Tower, 110 Bishopsgate (Level 20), EC2N 4AY London ([complianceuk@interactivebrokers.com](mailto:complianceuk@interactivebrokers.com)). Web link; <http://www.interactivebrokers.co.uk/ukcomplaints>.

## Other relevant information

The full terms and conditions of the product are set out in the Interactive Brokers (UK) Limited Client Agreement for Carried Products. A copy of the Agreement can be found under "Forms and Disclosures" on [www.interactivebrokers.co.uk/disclosure](http://www.interactivebrokers.co.uk/disclosure).