Key Information Document - Short Commodity Futures Contract

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. This is an English only document, not authorized to be translated into another language.

Product

U.S. Commodity Futures. The Options Clearing Corporation ("OCC") is providing this document under EU Regulation No. 1286/2014 for commodity futures. Commodity futures are listed and traded on U.S. futures exchanges, which are designated contract markets regulated by the U.S. Commodity Futures Trading Commission ("CFTC"), and are cleared and settled by OCC, a CFTC registered derivatives clearing organization. For more information, including the contact details for the U.S. futures exchanges, investors may visit OCC's website at www.theocc.com or contact OCC at 1-312-322-6200. Last updated December 28, 2022 and April 20, 2023.

Alert. **You are about to purchase a product that is not simple and may be difficult to understand.** Investors should not trade commodity futures until they have read and understood this document and any additional disclosures provided by their broker, the substance of which may include the Futures Industry Association's Uniform Futures and Options on Futures Risk Disclosures, https://lc.fia.org/uniform-futures-and-options-futures-risk-disclosures. Disclosures herein should be interpreted in a manner consistent with these disclosures.

What is this product?

Type

A commodity futures contract is an agreement between two parties to purchase or sell a predetermined amount of a commodity at a certain price on a future date. A person who sells a commodity futures contract enters into a contract to sell an underlying commodity and is said to be "short" the contract. The exposure to the underlying commodity is therefore indirect, because the future's value is derived from the value of the underlying commodity. Maturity dates for commodity futures vary. OCC may not unilaterally terminate the future. In certain extraordinary circumstances, the U.S. futures exchange on which your transaction is executed may modify the terms of the futures contract or terminate the contract. An event involving the underlying commodity may also result in a change to the terms of the futures contract pursuant to OCC's rules, and the methodology may differ from any methodology used in European markets.

Objectives

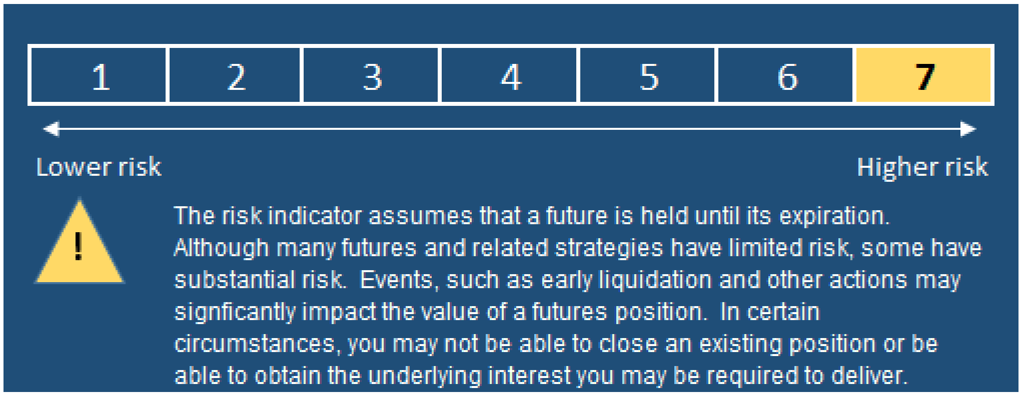
A short commodity futures contract is an agreement to sell a predetermined amount of a commodity at a predetermined price at a specified future date. A seller generally shorts a commodity futures contract with the expectation that the price of the underlying commodity will decrease by the contract's maturity date. The seller will realize a gross profit if the underlying commodity's value has decreased by the future's closure and will realize a gross loss if it has increased. There is no recommended holding period for commodity futures. Buyers and sellers can experience profits or losses at any point up to and including the future's maturity date. While a commodity future has a pre-determined maturity date, an open position may be closed by entering into an offsetting transaction prior to the contract's maturity. Commodity futures contracts that are not liquidated prior to expiration must be settled in accordance with the terms of the contract, which may require cash-settlement. For commodity futures settled through cash settlement, any positions in the commodity futures contract that are open at the end of the last trading day are settled through a final cash payment based on a final settlement price for the underlying commodity. Factors affecting a commodity future's value include the value of the underlying and its susceptibility to price fluctuations (volatility).

Intended Retail Investor

This product is not designed for a specific type of investor or to fulfill a specific investment objective or strategy. Commodity futures are not suitable for all investors and are intended only for investors who have a thorough understanding of the product and can bear the potential losses associated with it and the related investment strategy. If you have questions regarding suitability, you may wish to contact your broker or investment adviser.

What are the risks and what could I get in return?

Risk Indicator

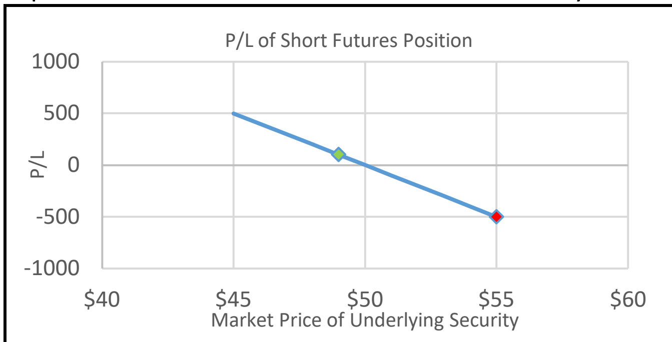


The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class and rates the potential losses from future performance at a very high level. This product does not include any protection from future market performance so you could lose some or all of your investment, or more.

The risk and reward profile of a short commodity futures contract depends on its terms but may involve the following considerations:

- Trading commodity futures contracts involves risk and could result in potentially unlimited losses that are greater than the amount deposited as initial margin.
- Commodity futures are leveraged products. Small changes in the future's price can result in large gains or losses. If movements in the markets for futures or the underlying commodity decrease the value of your positions, you immediately may be required to deposit additional margin and your position may be forcibly liquidated at a loss.
- If trading on a U.S. futures exchange becomes unavailable, investors may be unable to close a commodity futures position in a timely manner. There may be times when futures prices will not maintain customary or anticipated relationships to the prices of underlying or related interests.
- Tax law in the investor's home Member State may have an impact on the investor's return.
- **Be aware of currency risk. Any cash payment associated with the trading or exercise of commodity futures will settle in U.S. Dollars, and consequently, investment results may change depending on currency fluctuations. This risk is not considered in the indicator above.**

Performance Scenarios (Examples do not include the costs of commissions, taxes and other transaction costs that may impact the value of a transaction and commodity futures position.)



P/L Stressed (Red Plot Point)

Predetermined price at maturity: $50

Actual market price at maturity : $55

- Unfavorable to seller (short) -$500
- Favorable to buyer (long) +$500

P/L Moderate (Green Plot Point)

Predetermined price at maturity: $50

Actual market price at maturity : $49

- Favorable to seller (short) +$100
- Unfavorable to buyer (long) -$100

Break Even Point occurs when the predetermined price equals the actual market price.

The graph illustrates how your investment could perform. You can compare it to the pay-off graphs for other derivatives. The graph presents a range of possible outcomes and is not an exact indication of what you might get back. Investing in this product holds that you think the underlying price will decrease. What you will get back will vary depending on how the underlying will develop which depends on future market performance that is uncertain and cannot be predicted. For two values of the underlying, the graph shows what the profit or loss of the product would be. The horizontal axis shows possible prices of the underlying value and the vertical axis shows the profit or loss. The figures shown include all the costs of the product itself but may not include all the costs you pay to your advisor or distributor and do not take into account your personal tax situation, which may also affect how much you get back.

What happens if OCC is unable to pay out? OCC's rules are designed so that the performance on all commodity futures is between OCC and a group of brokerage firms called clearing members that carry the positions of their customers in their OCC accounts. The clearing members must meet OCC's financial requirements for participation and provide collateral for the positions of their customers. An investor's brokerage firm may require the investor to provide related collateral in connection with the positions, as described below. Through a legal novation process, OCC becomes the buyer to every seller clearing member and the seller to every buyer clearing member. This system is intended to manage counterparty risk and facilitate the settlement of futures trades in the event a clearing member fails to meet its obligations. However, there is still risk OCC may not have sufficient financial resources to settle the obligations.

What are the Costs? The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment. Aggregate costs for commodity futures contracts depend on multiple factors. The initial margin requirement is the amount required to be deposited by the investor with their broker in order to enter into the commodity futures contract. This amount generally is equal to a specific percentage of the current market value of the contract. The commodity futures contract is also marked-to-market at least daily, and the account of each buyer will reflect the amount of any gain or loss on the contract based on the contract's daily settlement price and additional deposits of variation margin may be required. Individual brokerage firms can also require additional margin beyond that required by OCC and the U.S. futures exchanges. Factors having a significant effect on the market value of a commodity future include, but are not limited to, the underlying's price, and time until maturity. Futures investing involves additional costs that include tax considerations, transaction costs and margin requirements that can significantly affect profit or loss. Transaction costs consist primarily of commissions but may also include margin and interest costs. If an investor liquidates a commodity futures contract position, it may incur additional costs. Separate from investor costs, OCC charges related fees for clearing this product to its clearing members but not directly to you: https://www.theocc.com/company-information/schedule-of-fees.

Costs Over Time	If you exit
Total Costs	Various
Annual Cost Impact	Various

Composition of Costs		
One-off costs upon entry or exit		Amount (Initial)
Entry Costs (per transaction - opening (entry))	Premium (determined by buyer and seller), Commission (determined by brokerage firm)	Variable
Exit Costs (per transaction - closing (exit))	Premium, Commission	Variable
Ongoing Costs		Amount (at any time)
Management fees and other administrative or operating costs	There is no management fee	N/A
Transaction costs	Margin (requirements are subject to change, and may vary by brokerage)	Variable (ongoing)
Incidental costs taken under specific conditions		
Performance fees	None	N/A

How long should I hold it and can I exit a transaction early (can I take money out early)?
Recommended holding period: None. Investors have the sole responsibility for determining if and when they should close a commodity futures position or whether to hold a position until its maturity. Investors who close a commodity futures position forgo any subsequent profit or loss associated with the position. All commodity futures have a maturity date, after which the contract ceases to exist. An investor can close an open position in a commodity futures contract by entering into an offsetting transaction prior to the contract's maturity.

How can I complain?
Investors may contact OCC at investorservices@theocc.com. Investors may also file a complaint with the NFA (https://www.nfa.futures.org/basicnet/complaint.aspx) or the CFTC (http://www.cftc.gov/ConsumerProtection/FileaTiporComplaint/index.htm).

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