Key Information Document - Long Index 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. Index Futures. The Options Clearing Corporation ("OCC") is providing this document under EU Regulation No. 1286/2014 for index futures. Index futures are listed and traded on the Cboe Futures Exchange LLC ("CFE"), which is jointly regulated as a national securities exchange by the U.S. Securities and Exchange Commission ("SEC") and as a designated contract market by the U.S. Commodity Futures Trading Commission ("CFTC"), and are cleared and settled by OCC, an SEC registered clearing agency and CFTC registered derivatives clearing organization. For more information, including the contact details for CFE, investors may visit OCC's website at www.theocc.com or contact OCC's Investor Services department at 1-888-678-4667. Updated December 15, 2017.

Alert. **You are about to purchase a product that is not simple and may be difficult to understand.** Investors should not trade index futures until they have read and understood this document and any additional disclosures provided by their broker, the substance of which may include the National Futures Association's ("NFA") Risk Disclosure Statement for Security Futures Contracts, https://www.nfa.futures.org/investors/investor-resources/files/security-futures-disclosure.pdf, and 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

An index futures contract is an agreement between two parties to purchase or sell a specific underlying index at a certain price on a future date. An index is a measure of the prices or other attributes of a group of securities or other underlying interest. For example, an index may be designed to be representative of the prices of a group of equity securities or to measure the predicted volatility of an index. Indexes vary in how they are calculated. A person who buys an index futures contract enters into a contract to purchase the underlying index and is said to be "long" the contract. The exposure to the underlying index is therefore indirect, because the future's value is derived from the value of the underlying index rather than being the value of it. Maturity dates for index futures vary. OCC may not unilaterally terminate the future. In certain extraordinary circumstances, CFE may unilaterally modify the terms of the futures contract or terminate the contract. Certain instances, such as a change in the composition or calculation of the index, may result in a change to the terms of the index future contract pursuant to OCC's rules, which may differ from the methodology in European options markets.

Objectives

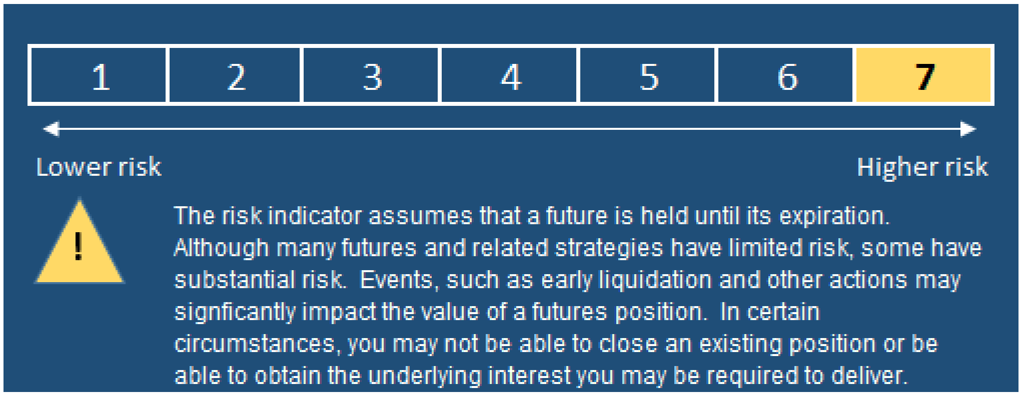
A long index futures contract is an agreement to purchase the underlying index at a predetermined price at a specified future date. A buyer generally purchases a long index futures contract with the expectation that the price of the underlying index will increase by the contract's maturity date. The buyer will realize a gross profit if the underlying index's value has increased by the future's closure and will realize a gross loss if it has decreased. There is no recommended holding period for index futures. Buyers and sellers can experience profits or losses at any point up to and including the future's maturity date. While an index future has a pre-determined maturity date, an open position may be closed by entering an offsetting transaction prior to the contract's maturity. Index futures contracts that are not closed prior to maturity must be settled in accordance with the terms of the contract, which requires cash settlement. Any positions in the index 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 index. Factors affecting an index future's value include the value of the underlying index 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. Index 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

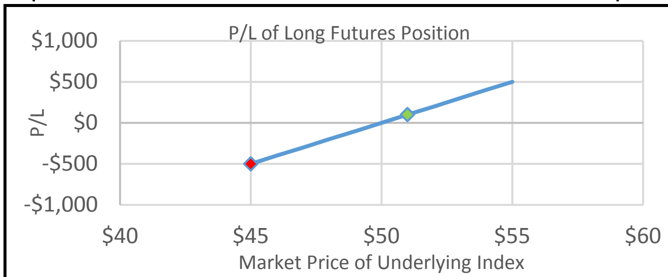


The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class and rates the potential losses from future performance at a 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 long index futures contract depends on its terms but may involve the following considerations:

- Trading index futures contracts involves risk and could result in potentially unlimited losses that are greater than the amount deposited as initial margin.
- Index 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 index 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 CFE becomes unavailable, investors may be unable to close an index 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 index 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 index futures position.)



P/L Stressed (Red Plot Point)

Predetermined price at maturity: $50

Actual market price at maturity : $45

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

P/L Moderate (Green Plot Point)

Predetermined price at maturity: $50

Actual market price at maturity : $51

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

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. What you will get back will vary depending on how the underlying will develop. 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 index 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?

Aggregate costs for index futures contracts depend on multiple factors. The initial margin requirement is the amount required to be deposited by the investor with his or her broker to enter the index futures contract. This amount generally is equal to a specific percentage of the current market value of the contract. The index 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 CFE. Factors having a significant effect on the market value of an index future include, but are not limited to, the underlying's price, dividend payments, 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 an index futures contract position, it may incur additional costs. Advisors, distributors or any other persons advising on or selling index futures will provide information detailing any cost of distribution not already included in this section to enable the investor to understand the cumulative effect of the aggregate costs on the return.

Costs over Time and Composition of Costs

Costs	Commission	Initial Margin	Additional Margin	Taxes
Amount	Varies – determined by individual brokerage firm	Varies	Varies	Dependent on individual investor's tax situation
Frequency	Initial (per transaction)	Initial	Recurring	Recurring

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 an index futures position or whether to hold a position until its maturity. Investors who close an index futures position forego any subsequent profit or loss associated with the position. All index futures have a maturity date, after which the contract ceases to exist. An investor can close an open position in an index 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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