Key Information
Document - Short Security 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. Security Futures. The Options Clearing Corporation ("OCC") and OneChicago, LLC ("ONE") are providing this document under EU Regulation No. 1286/2014 for security futures. Security futures are listed and traded on ONE, which is jointly regulated as a designated contract market by the U.S. Commodity Futures Trading Commission ("CFTC") and as a national securities exchange by the U.S. Securities and Exchange Commission ("SEC"), 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 ONE, investors may visit ONE's website at www.onechicago.com or 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 security 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. Disclosures herein should be interpreted in a manner consistent with these disclosures.

What is this product?

Type

A security futures contract is an agreement between two parties to purchase or sell a specific quantity of shares of a security at a certain price on a future date. A person who sells a security futures contract enters into a contract to sell the underlying security and is said to be "short" the contract. The exposure to the underlying security is therefore indirect, because the future's value is derived from the value of the underlying security rather than being the value of it. Maturity dates for security futures vary. OCC may not unilaterally terminate the future. In certain extraordinary circumstances, ONE may unilaterally terminate the contract. A corporate event involving the underlying security 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

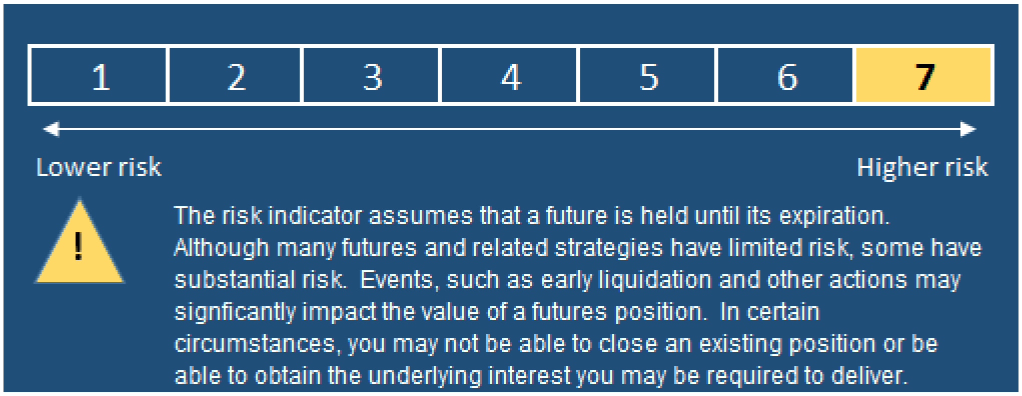
A short security futures contract is an agreement to sell the underlying securities at a predetermined price at a specified future date. A seller generally shorts a security futures contract with the expectation that the price of the underlying security will decrease by the contract's maturity date. The seller will realize a gross profit if the underlying security'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 security futures. Buyers and sellers can experience profits or losses at any point up to and including the future's maturity date. While a security future has a pre-determined maturity date, an open position may be closed by entering an offsetting transaction prior to the contract's maturity. Security futures contracts that are not closed prior to maturity must be settled in accordance with the terms of the contract, which may require physical or cash settlement. If the contract is settled by physical delivery of the underlying security, a person who is short the contract must make delivery of the underlying shares in exchange for the final settlement price. For security futures settled through cash settlement, any positions in the security 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 security. Factors affecting a security 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. Security 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

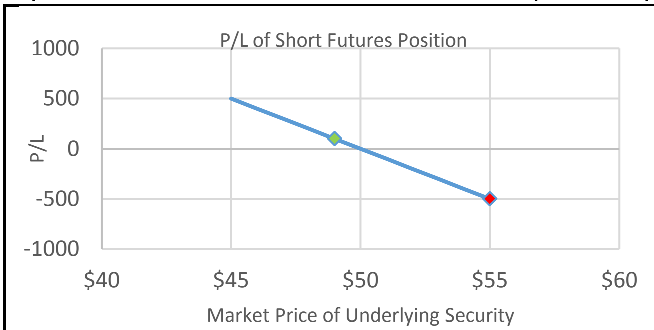


The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest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

- Trading security futures contracts involves risk and could result in potentially unlimited losses that are greater than the amount deposited as initial margin.
- Security 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 security 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 ONE becomes unavailable, investors may be unable to close a security 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.
- If the security underlying a physically-settled security futures contract is unavailable, OCC's rules may require an alternative form of settlement, such as cash settlement.
- 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 security 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 security 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

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 security 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 security futures contracts depend on multiple factors. The initial margin requirement is the amount required to be deposited by the investor with its broker in order to enter into the security futures contract. This amount generally is equal to a specific percentage of the current market value of the contract. The security 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 ONE. Factors having a significant effect on the market value of a security future include, but are not limited to, the underlying's price, dividend payments, time until maturity, interest rate and hard to borrow rate. 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 security futures contract position, it may incur additional costs. Advisors, distributors or any other persons advising on or selling security 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 a security futures position or whether to hold a position until its maturity. Investors who close a security futures position forego any subsequent profit or loss associated with the position. All security futures have a maturity date, after which the contract ceases to exist. An investor can close an open position in a security 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 Financial Industry Regulatory Authority ("FINRA") (http://www.finra.org/investors/investor-complaint-center), the SEC (https://www.sec.gov/oiea/Complaint.html), the NFA (https://www.nfa.futures.org/basicnet/complaint.aspx), or the CFTC (http://www.cftc.gov/ConsumerProtection/FileaTiporComplaint/index.htm) .

FINRA Investor Complaint Center
9509 Key West Avenue
Rockville, MD 20850-3329
Phone: (240) 386-HELP (4357)
Fax: (866) 397-3290

U.S. Securities and Exchange Commission/Office of Investor Education and Advocacy
100 F Street, N.E.
Washington, DC 20549-0213
Fax: (202) 772-9295

National Futures Association
300 S. Riverside Plaza, #1800
Chicago, IL 60606-6615
Phone: 312-781-1300
Fax: 312-781-1467

U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581
Phone: 866-366-2382
Fax: 202-418-5521