RISK DISCLOSURE STATEMENT FOR TRADING STRUCTURED PRODUCTS (INCLUDING WARRANTS) WITH INTERACTIVE BROKERS ("IB")

1. **Trading of Structured Products is Risky and may Result in a Complete Loss of your Investment:** Trading Structured Products is highly risky due to the speculative and volatile markets in these products, the complexity of the structures, and the leverage (margin) involved in many of them. The leverage may vary during the life of the product and can in certain circumstances become extremely high. Products with barrier features (e.g. knock-outs or stop-loss products) may become instantly worthless. ***You must carefully consider your financial circumstances and risk tolerance before trading Structured Products, and you should not trade Structured Products unless you are an experienced investor with a high-risk tolerance and the capability to sustain losses if they occur.***

2. **No Investment, Tax or Trading Advice:** Our service is "execution only", meaning we are only executing your self-directed orders pursuant to your instructions and will not advise you on any transaction, nor will we monitor your trading decisions to determine if they are appropriate for you or to help you avoid losses. IB does not provide investment, tax or trading advice. You should obtain your own financial, legal, taxation and other professional advice as to whether Structured Products are an appropriate investment for you.

3. **You Must Independently Collect and Verify the Product Information you need to Trade Structured Products:** IB is not a representative or agent of the Issuer and any information it may provide is as received from third party issuers or exchanges. There are hundreds of thousands of Structured Products available for trading, and only the Issuer can be relied upon for a comprehensive and accurate representation of complex product features and other important information such as currently valid strikes, multipliers, barrier levels, etc., as these may change over the life of the product, often daily. Furthermore, the Issuer may in certain circumstances cancel (call) the product or alter its terms in response to changing market conditions, corporate events, and for other reasons. You should familiarise yourself fully with the Issuer's relevant term sheets, prospectuses, offering circulars or product disclosure statements and on-going updates when you trade Structured Products. You should not rely on any third party, including IB, for this information.

4. **You are Subject to Counterparty Credit Risk on Structured Product Trades:** The Issuer is the ultimate counterparty to your Structured Product trades, whether you trade on an exchange or over the counter. That is, in the unlikely event that the Issuer was to become insolvent, it may be unable to meet its obligations to you.

5. **Structured Products Carry Liquidity Risk:** The Issuer is generally the only market maker for any Structured Product, and is not under an obligation to provide liquidity in all circumstances, even when the product is traded on an exchange. Even when a market is provided you might not be able to obtain an appropriate price for the product when you sell it. It might also be difficult or impossible to determine a fair price or even compare prices at all, as there is often only one market maker.

6. **IB may not Support all Structured Product Features:** IB may or may not facilitate the early exercise of Structured Products, even when the terms of the product specifically allow for it.

7. **Risk of Foreign Currency Fluctuation:** When you deal in a Structured Product that is denominated in a currency other than the base currency or currency you have on deposit in your IB account, all profits, losses are calculated using the currency in which the Structured Product is denominated. Thus, your profits or losses will be further affected by fluctuations in the exchange rates between the account currency and the currency in which the Structured Product is denominated.

8. **Risk of Regulatory and Taxation Changes:** Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have an adverse effect on the value of your Structured Products, the tax you pay on your Structured Products, and the total return on your Structured Products.

9. **Risk of Disruption or Interruption of Access to IB's Electronic Systems and Services:** IB relies on computer software, hardware and telecommunications infrastructure and networking to provide its services to Clients and without these systems, IB cannot provide its services. These computer-based systems and

services such as those used by IB are inherently vulnerable to disruption, delay or failure, which may cause you to lose access to the IB trading platform or may cause IB not to be able to provide Structured Product quotations or trading, or may negatively affect any or all aspects of IB's services. Under the IB Customer Agreement, you accept the IB systems and services "As-Is" and our liability to you is limited. You must also maintain alternative trading arrangements in addition to your IB account for execution of your orders in the event that IB's electronic system and services are unavailable.

Product Specific Disclosures

10. **Turbo certificates**

    How do Turbo certificates work? Turbo certificates are leveraged products. If the price of the underlying instrument rises, the price of the Turbo Long/Short certificate rises/falls disproportionately according to the effective leverage at the time. The effective leverage depends on the distance of the price of the underlying to the barrier/strike. The closer to the barrier/strike, the higher the leverage. Importantly, if the price of the underlying instrument reaches the barrier at any time during the life of the product the certificate is knocked out and expires worthless.

    Who are Turbo certificates designed for? A Turbo certificate is the instrument for active, market oriented investors to benefit from short-term market fluctuations.

    How do Turbo certificates react to rising, stable and falling markets respectively? In rising markets, the price of Turbo Long/Turbo Short certificates rises/falls at a disproportionately high level in accordance with the effective leverage at the time. In falling markets the price of Turbo Long/Turbo Short certificates falls/rises at a disproportionately high lever in accordance with the effective leverage at the time. In stable markets, the price of Turbo certificates is influenced by the financing costs and the implied volatility of the underlying price, together referred to as time-value. Time-value erodes over time, and becomes zero at expiration. This means that you can incur losses in the case of Turbo Long certificates and post gains if you hold Turbo Short certificates even if the price of the underlying does not change.

    https://ibkr.info/article/3558

11. **Product specific disclosures: Bonus-certificates**

    How do Bonus certificates work? Bonus certificates are products designed to pay a so-called bonus yield at maturity if the price of the underlying does not breach a predefined threshold (barrier) at any time during the life of the certificate. At the issue of the certificate, the bonus level is set above the price of the underlying and the barrier is set below the initial value. If the specific certificate comes with a cap as well, it is set at or above the bonus level. The redemption at the end of maturity depends on the performance of the underlying. If the underlying asset never falls to or below the barrier level during the term of the certificate, the investor receives at least a payment equaling the bonus level. If the price of the underlying is higher than the bonus level at the end of the period date, the investor receives the higher payment out of the two (unless the payout is limited by a cap, in which case the higher possible payout is equal to the cap value). If the price of the underlying falls to or below the barrier at least once during the term of the certificate, there will be no bonus payment. The investor gets the performance of the underlying paid out at the end of maturity (limited by the cap, if any). Depending on whether the price of the underlying is below or above the issue price, the investor suffers a loss or makes a profit.

    Who are Bonus certificates designed for? Investors looking for the potential of a bonus payment at maturity even in the case of stable or falling prices as long as the price of the underlying has not fallen to or below the barrier.

    How do bonus certificates react to rising, stable and falling markets? In rising markets, the investor receives the bonus payment at maturity. If the certificate is not capped, the investor participates directly from the rising of the underlying once the price of the underlying is above the bonus level. In stable markets, the investor receives the bonus payment at maturity. In falling markets the investor receives the bonus payment at the maturity as long as the price of the underlying asset has never once fallen to or below the barrier lever. There is no bonus payment and the certificate follows the performance of the underlying asset until the end of the maturity period.

    https://ibkr.info/article/3561

12. **Product specific disclosure: Discount certificate**

    How do Discount certificates work? The Discount certificates enable investing into a predetermined underlying product at a lower price than the underlying product's current market price. The certificates are fully tied to the changes in the underlying product price, and a maximum price level (referred to as a cap) is defined at the time of the certificate's issuance, up to which the investor may benefit from positive shifts in the underlying product price. If the price shifts in the opposite direction, the certificate acts as an index certificate.

Who are Discount certificates designed for? Investors looking for a yield that is higher than the risk-free rate and are willing to undertake the risks associated with the underlying product.

How do discount certificates react to rising, stable and falling markets? In rising markets, if the price of the underlying instrument is at or above the cap, investors will earn the maximum return and receive payment amount reflected by the cap. In stable markets, if the rise of the underlying is below the cap, investors will receive a cash amount reflecting the value of the underlying instrument. In falling markets, the investor will incur a loss if the price of the underlying instrument has fallen so far that the discount has been totally eroded.

https://ibkr.info/article/3557

13. **Product specific disclosure: Factor certificates**

How do Factor Certificates work? Factor certificates allow investors to leverage the rising (long) or falling (short) movement of the underlying asset at a constant level of leverage expressed as the leverage factor.

Who are Factor Certificates designed for? Investors who want to get leveraged exposure to a particular underlying, where, as opposed to Turbos and Warrants, the leverage does not vary with changes in the underlying price, and obtain high participation in price changes of the referenced asset.

How do Factor Certificates react to rising, stable and falling markets? The value of Factor certificates will rise (long) or fall (short) a multiple amount equal to the leverage factor of the increase in the price of the underlying. The leveraged return is calculated on a daily basis, which means that cumulative returns for factor certificates may not equal the cumulative return of a direct investment in the underlying asset employing the same amount of leverage.

https://ibkr.info/article/3556

14. **Product specific disclosure: Tracker Certificate**

How do Tracker Certificates work? Tracker Certificates follow 1 for 1 the price movement of the underlying.

Who are Tracker Certificates designed for? Investors who want to get exposure to a particular underlying without having to hold the underlying directly.

How do Tracker Certificates react to rising, stable and falling markets? Tracker certificates follow the price movements of the underlying. If the underlying asset is an index, the investor should understand whether the certificate is based on a price index or a performance index. With a performance index all dividends and proceeds from subscription rights are reflected in the level of the index; price indices, instead, reflect solely the price developments of the Index constituents and this also reductions in value that take place where a dividend is paid.

15. **Product specific disclosure: Warrants**

How do Warrants work? A Call Warrant confers the right to buy a specific quantity of a specific underlying instrument at a specific price over a specific period of time. With some Warrants, the option right can only be exercised on the expiration date (European style), with others the option right can be exercised at any time prior to expiration (American style). The investors bet on a price increase in the warrant and sells the leverage product at a higher level than what originally paid. The effective leverage depends on the distance of the price of the underlying to the strike. The closer to the strike, the higher the leverage. Upon exercise before expiration the investor only realise the intrinsic value of the warrant while foregoing its time value. A Put Warrant, on the other hand, confers the right to sell specific quantity of a specific underlying instrument at a specific price over a specific period of time. The value of a Put Warrant increases if the price of the underlying instrument drops.

Who are Warrants designed for? Investors who want to obtain leveraged exposure to a given underlying through an investment requiring less capital for the same amount of exposure than a direct purchase of the underlying asset.

How do Warrants react to raising, stable and falling markets? If the price of the underlying rises, the value of a Call Warrant will go up and that of a Put Warrant will fall. However, the pricing of a Warrant is also sensitive to factors other than the performance of the underlying asset. If the volatility of the underlying asset increases the price of both a Call and a Put Warrant will go up. Conversely when the time to expiration diminishes both a Call and a Put Warrant will lose value. A rise in interest rates will positively impact the value of a Call Warrant and instead negatively affect the value of a Put Warrant. Conversely if a special dividend is paid a Call Warrant referring the underlying will lose value, while a Put Warrant with the same underlying will increase in value.

https://ibkr.info/article/3559