KEY INFORMATION DOCUMENT
(PHYSICALLY DELIVERED AGRICULTURAL (OR "SOFTS") FUTURES)

Purpose: This document provides 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.

Product: Physically Delivered Agricultural (or "Softs") Futures - ICE Futures Europe ("IFEU") –
https://www.theice.com/futures-europe
Details of the specific Soft Futures traded on IFEU are available at:
https://www.theice.com/products/37089079/Robusta-Coffee-Futures
https://www.theice.com/products/37089076/London-Cocoa-Futures
https://www.theice.com/products/42944083/Euro-Cocoa-Futures
https://www.theice.com/products/37089080/White-Sugar-Futures
https://www.theice.com/products/57269825/Containerised-White-Sugar-Futures
https://www.theice.com/products/37089081/UK-Feed-Wheat-Futures
Call *+44 (0)20 7382 8200, Option 2* for more information or email CO-ICEFuturesEU@TheIce.com
IFEU is a recognised investment exchange supervised by the Financial Conduct Authority.
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Alert: *You are about to purchase a product that is not simple and may be difficult to understand.*

What is this product?

Type: Derivative. **Physically Delivered Agricultural (or "Softs") Futures** are considered to be derivatives under Annex I, Section C of **MiFID 2014/65/EU**.

Objectives:
A physically delivered agricultural, or "soft," futures ("**Soft Futures**") contract is a physically settled derivative contract to buy ("long position") or sell ("short position") a specified quantity and quality of an agricultural commodity, such as coffee, cocoa, sugar or wheat, at a certain time in the future for a certain price ("contract price") at a certain location. Each agricultural futures contract has its own delivery periods and procedures. Subject to market conditions, you can close your position on any trading day up to and including the day of expiration (last trading day). If you 'opened' a long position by buying an agricultural futures contract (to 'go long'), you could sell the same contract to 'close' your position. If you 'opened' a short position by selling an agricultural futures contract (to 'go short'), you could buy the same contract to 'close' your position. To settle an agricultural futures contract at expiry, the seller will have to physically deliver the specified quantity and quality of the agricultural commodity and the buyer will have to take delivery and make payment, in accordance with the contract specifications. It will be your responsibility to make any necessary arrangements to be able to make or take physical delivery under the contract. **If you wish to avoid making or taking delivery, you must close out your position prior to the notice period.** An agricultural futures contract may in certain circumstances be unilaterally terminated by IFEU and may be terminated following an event of default by a clearing member (see "What happens if IFEU is unable to pay out?" below).

Intended retail investor:
This product is not designed to be marketed to a specific type of investor or to fulfil a specific investment objective or investment strategy. A retail investor should become familiar with the characteristics of this product to make an informed decision on whether or not this product fits their investment needs. If in doubt, a retail investor should contact their broker or investment adviser to obtain investment advice.

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

Risk indicator:

1	2	3	4	5	6	**7**

Lower risk ← – → *Higher risk*

Summary Risk Indicator: 7

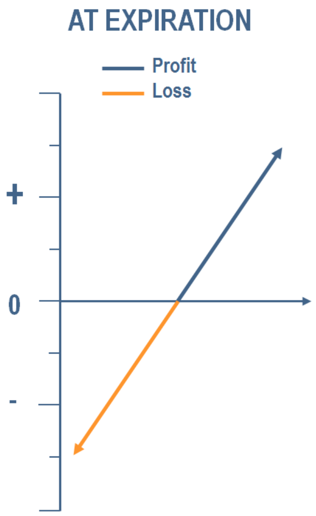
The risk indicator assumes that a future is held until its expiration. The actual risk can vary significantly if you close out your position prior to expiration, and the value you get back may be less than if you held the position to expiration. Some futures and futures strategies have limited risk, but some can be high risk. Events, such as early closure of the position, may significantly impact the value of a future.

- 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.
- This product can expose a retail investor to unlimited liabilities in certain circumstances. This is a complex product and is only likely to be appropriate for the most experienced, sophisticated and knowledgeable types of investors.
- In some circumstances you may be required to make further payments to pay for losses. **The total loss you may incur may significantly exceed the amount invested.**
- This product does not include any protection from future market performance so you could lose some or all of your investment.

- If ICEU or any intermediary are not able to pay you what is owed, you could lose your entire investment (see "What happens if IFEU is unable to pay out?" below).
- **The risk and reward profile of a future depends on its terms, but will involve following considerations:**
- **Buyers** of a Soft Future can incur unrestricted losses down to a zero market price. The loss is equal to the buying Contract Price minus closing sale price/EDSP. **Sellers** of a Soft Future can incur unlimited losses in a rising market. The loss is equal to the closing purchase price/EDSP minus the selling Contract Price. **Buying or selling futures can be high risk and requires extensive product knowledge.**
- Transactions in agricultural futures contracts may carry a high degree of leverage, because the amount of initial margin required to open a position is small relative to the value of the contract. A relatively small market movement can thus have a large impact on the margin you have provided. If the market moves against your position, you may be required to post additional funds as variation margin, on at least a daily basis. You may lose some or all of the initial and variation margin you have posted as a result of market movements. In addition, if you fail to comply with a request for additional margin by the deadline, your position may be liquidated at a loss or cost to you.
- Positions in agricultural futures contracts are subject to liquidity risks, in that your ability to close out a position on or prior to the last trading day will depend on entering into an offsetting position in the market with other market participants at the time. There is no commitment on the part of the exchange or any other person to enter into such offsetting transactions, and such closing transactions may not be available at the desired time, or may not be available at favorable prices.
- The price of agricultural futures contracts (and potential profit or loss) depends on several factors, such as the spot price of the underlying agricultural commodity, storage costs, costs and expenses related to delivery, levels of agricultural commodity production, levels of commercial use of the agricultural commodity, weather and growing conditions, and interest rates, as well as other macroeconomic conditions.

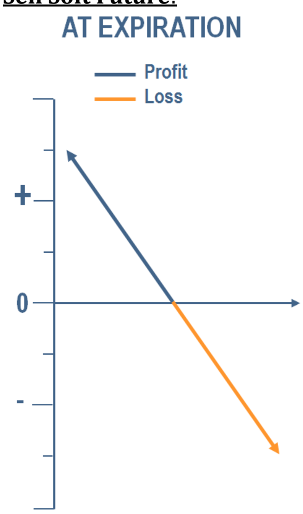
Performance scenarios:
These graphs illustrate how your investment could perform. You can compare them with the pay-off graphs of other derivatives products in different Key Information Documents. The graphs presented give a range of possible outcomes and are not an exact indication of what you might get back. What you get will vary depending on how the underlying will develop. For each value of the underlying, the graphs show what the profit or loss of the product would be. The horizontal axis shows the various possible prices of the underlying value on the date the position is closed out, and the vertical axis shows the profit or loss.

<u>Buy Soft Future</u>:



Transaction: Buy Soft Future.
Investment: None, but margin is required.
Margin: Initial margin (approximately 7% of total contract value) plus variation margin to mark to market prices on at least a daily basis.
Market expectation: Rising market. Buying this product indicates that you think the underlying price will increase.
Profit/loss calculation: The profit or loss at expiration is calculated as follows:
<u>Step One:</u> Take the market value when the position is closed out, minus the contract price, then multiply by the contract quantity.
<u>Step Two:</u> When the result of Step One is positive the buyer has made a profit. If the result of Step One is negative the buyer has made a loss.
Profit and loss characteristics:
Profit: Unrestricted in a rising market.
Loss: Your maximum loss is unlimited down to a zero market price and you may lose all of your investment and be required to make additional payments significantly exceeding the initial margin payment.
Break-even: Reached when the Contract Price and market value at position close-out are equal, after taking into account transaction costs.

<u>Sell Soft Future</u>:



Transaction: Sell Soft Future.
Investment: None, but margin is required.
Margin: Initial margin (approximately 7% of total contract value) plus variation margin to mark to market prices on at least a daily basis.
Market expectation: Falling market. Selling this product indicates that you think the underlying price will decrease.
Profit/loss calculation: The profit or loss at expiration is calculated as follows:
<u>Step One:</u> Take the market value at close out minus the contract price, then multiply by the contract quantity.
<u>Step Two:</u> When the result of Step One is positive the seller has made a profit. If the result of Step One is negative then the seller has made a loss.
Profit and loss characteristics:
Profit: Directly related to the amount the market falls in between the opening of the short position and close out. Maximum profit is the contact price minus zero.
Loss: Your maximum loss is unlimited in a rising market and you may lose all of your investment and be required to make additional payments significantly exceeding the initial margin payment.
Break-even: Reached when the Contract Price and and market value at close out are equal, after taking into account transaction costs.

The scenarios shown may not include all of the costs that you pay to your advisor or broker. The scenarios do not take into account your personal tax situation, which may also affect your return.

What happens if IFEU is unable to pay out?

IFEU is not responsible for paying out under the investment. All derivatives traded on IFEU are centrally cleared by ICE Clear Europe Ltd. ("**ICEU**"). IFEU and ICEU are not within the jurisdiction of the UK Financial Services Compensation Scheme. In the event of a default by ICEU or your intermediary your position may become subject to ICEU's default procedures in accordance with its clearing rules, which may ultimately expose you to a risk of financial loss. It is possible that you may be included in any other compensation scheme depending on the exchange trading participant/member, clearing member, broker or other intermediary involved in a retail derivative transaction concerning this product. If you are in any doubt as to your position you should seek independent professional advice.

What are the costs?

Costs over time and Composition of Costs:
IFEU charges fees which are applied to the Clearing members. The full fee schedule is available on our website (https://www.theice.com/publicdocs/futures/IFEu_Fees_Energy_Softs_Commodities_Products.pdf). The person selling you or advising you about this product may pass on IFEU and ICEU charges and 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. Further or associated costs may be charged to retail investors by the exchange trading participant/member, brokers or other intermediaries involved in a retail derivative transaction.

How long should I hold it and can I take money out early?

There is no recommended holding period for this product. Soft Futures can be held until expiration or positions can be closed out on any trading day up to and including the Last Trading Day. Whether or not retail investors choose to do so will depend on their investment strategy and risk profile.

- ✓ A long Soft Future position (i.e. a position opened by buying an Soft Future) can be closed by entering an equivalent sell order (e.g. by giving the relevant instructions to your broker) in the market on any trading day up to and including the Last Trading Day.
- ✓ A short Soft Future position (i.e. a position opened by selling an Soft Future) can be closed by entering an equivalent buy order (e.g. by giving the relevant instructions to your broker) in the market on any trading day up to and including the Last Trading Day.

How can I complain?

Retail investors should address complaints to the broker or intermediary with whom the investor has a contractual relationship in relation to this product or to the IFEU Complaints Handling Officer. Complaints must be made in writing to: The Complaints Handling Officer, ICE Futures Europe, 5th Floor, Milton Gate, 60 Chiswell Street, London, EC1Y 4SA, or can be emailed to: ICEFuturesEurope-Complaints@theice.com. See https://www.theice.com/futures-europe/regulation for full details of IFEU's Complaints Handling Procedures.

Other relevant information

Contract specifications setting out key details of all Soft Futures traded on our markets are published on IFEU's website:
https://www.theice.com/futures-europe/regulation#rules

Please see the Contract Rules and Procedures for further details (https://www.theice.com/futures-europe/regulation). No portion of this document is, or is intended to be, addressed to persons outside the European Economic Area ("EEA"). IFEU has produced this document in order to provide a more efficient basis for compliance with Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for exchange trading participants/members. To the extent permitted under the PRIIPs Regulation, IFEU undertakes no duty of care for the contents of this document and makes no warranty, representation or undertaking as to its accuracy. IFEU has not considered the specific circumstances of any 'retail investor' (as that term is defined in the PRIIPs Regulation) ("**EEA Retail Investors**"). EEA Retail Investors should only trade in this product based on their own assessment of the risks and should take their own financial, tax and legal advice. Any person making products to which this document relates available to an EEA Retail Investor is responsible for verifying whether this document is sufficient for their purposes or their clients' purposes, for adding any further disclosures as may be required for their clients and for assessing the suitability and appropriateness for their clients of any products traded on IFEU. IFEU does not admit any members that are EEA Retail Investors, and this document is only relevant to you if you have been offered trading in products traded on IFEU by a third party. IFEU is not responsible for the actions of any such third parties, and to the extent possible under applicable law, IFEU excludes all liabilities in relation to IFEU-traded products offered to EEA Retail Investors by any such third party. IFEU is not a 'PRIIP manufacturer' (as that term is defined in the PRIIPs Regulation) with respect to any offer to EEA Retail Investors in any EEA Member State other than those in which English is an official language or otherwise where a translated key information document in an official language of that EEA Member State is produced on IFEU's website.