

CME Group Cryptocurrency Long Put Option

Key Information Document

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.

Product

This document provides information relating to **put options on certain cryptocurrency futures contracts** which have been listed by **Chicago Mercantile Exchange, Inc** ("CME", or "Exchange"). CME is a Designated Contract Market based in the USA, and is a subsidiary of CME Group. CME is regulated by the Commodity Futures Trading Commission.

Details of the specific products which are covered by this document can be found on the CME Group website at www.cmegroup.com/priipskids.

Call +1 312 930 1000 for more information. This document is dated 1 January 2024.

You are about to trade a product that is not simple and may be difficult to understand.

What is this product?

The product is an option on a futures contract listed for trading and cleared in accordance with the requirements of the US Commodity Exchange Act and the Commodity Futures Trading Commission regulations thereunder.

The objective of the product is to give you the right to sell exposure to a specified cryptocurrency, by providing exposure to an index which measures the value of the cryptocurrency in US Dollars ("the Index"), through the subsequent sale of a futures contract on the Index, at the option's strike price. Information on the underlying Index can be found online at www.cmegroup.com/priipskids. At the expiration of the futures contract, it is cash-settled against the value of the Index at that time.

As the buyer of a put option contract, you have the right to sell the underlying futures contract at the option's strike price. The seller of the option has the obligation to buy the futures contract at the option's strike price if you exercise your right. Upon exercise, the Exchange's clearing house will select an option seller at random to meet the obligation. At the expiration of the option, the Exchange has arrangements to automatically exercise options with remaining intrinsic value on your behalf.

The put option contract is made available for trading in a number of monthly expiration dates, referred to as 'contract months'. The range of contract months available for trading, and the day and time at which the product ceases trading can be found online at www.cmegroup.com/priipskids. Exercise of an option results in the formation of a futures contract with a specific contract month. The futures contract month which corresponds to a specific option contract month is described at www.cmegroup.com/priipskids. As the buyer of a put option contract, you may exercise your right to sell the futures contract only on the option's expiration date – this is known as a 'European style' exercise provision. There are no early termination provisions in the terms of the put option contract. The sale of an option contract can offset a purchase of an option contract (and vice versa), and therefore offsetting purchases or sales can close out an option position. The Exchange may however modify or terminate the availability of trading under its emergency procedures.

As the buyer of a put option contract, you are required to pay the price of the option in full when you buy it. The price of an option is also known as the premium. Prices of the product are quoted in US Dollars per cryptocurrency unit, with the value being this price multiplied by a fixed quantity of cryptocurrency.

The product is intended for all types of investors, but it is important to note that trading options and futures is not suitable for all investors, as it involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. There is no capital protection against market risk. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. Only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade. Retail clients in particular should have good knowledge and experience of options, futures or other leveraged products, should be able to bear losses in excess of the amount invested, should have a high risk tolerance, and have a short-term investment horizon for this product.

The return on investment is determined by the market prices for the underlying futures contract when the position is opened and closed, prevailing interest rates, the amount of time to expiration, and the volatility and expectations of future volatility of the prices of the underlying futures contract.

Costs Over Time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest. The amounts shown here are illustrations based on an example investment amount. Further information on the specific costs applied by the Exchange can be found online at www.cmegroup.com/priipkids.

We have assumed: (i) you would get back the amount that you invested (0 % annual return); and (ii) you have invested in 1 option contract.

	If you exit after 3 months	If you hold for 3 months until expiration and the option is exercised	If you hold for 3 months until expiration and the option expires without being exercised
Total Costs	various	various	various
Annual Cost Impact*	various	various	various

*This illustrates how costs reduce your return over the holding period.

Composition of Costs

One-off costs upon entry or exit		If you exit after 3 months	If you hold for 3 months until expiration and the option is exercised	If you hold for 3 months until expiration and the option expires without being exercised
Entry costs	The Exchange charges a transaction fee for opening a position	various	various	various
Exit costs	The Exchange charges a transaction fee for closing a position. Should the option be exercised there will be a fee for the exercise, and a transaction fee for the resulting futures transaction. Should the option expire without exercise, there may be an expiration fee	various	various	various
Ongoing Costs				
Management fees and other administrative or operating costs	There is no management fee for this product	N/A	N/A	N/A
Transaction costs	There are no ongoing transaction fees for this product	N/A	N/A	N/A
Incidental costs taken under specific circumstances				
Performance fees	There is no performance fee for this product	N/A	N/A	N/A

This illustrates costs in relation to the notional value of the PRIIP. This illustrates the effect of costs over a holding period of less than one year. This percentage cannot be directly compared to the cost impact figures provided for other PRIIPs.

No other charges are applied by the Exchange, although your clearing firm and any other intermediary firm employed by you will also charge fees for their services.

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

The Exchange does not provide a recommended holding period for this product, as this will be dependent on the needs of the investor. There is no minimum holding period, and no penalty for closing a position. Positions can be closed out by conducting an offsetting trade in the market. The Exchange will charge a transaction fee for this offsetting trade. The tables of costs shown above demonstrate the costs for a three-month holding period until the expiration of the option.

Your clearing firm or the firm through which you placed the trade may require you to close your position before the product's expiration date.

How can I complain?

In the first instance, complaints should be directed to the firm through which you placed the trade.

Complaints can also be directed to the Exchange's London office. The postal address is: Legal Department, CME Group Inc., London Fruit & Wool Exchange, 1 Duval Square, London, E1 6PW, United Kingdom. The Exchange's email address for complaints is: EUREGULATION@cmegroup.com.

Other relevant information

Full product terms and conditions, the Exchange's Rulebook and a Regulatory and Trading Advice Disclaimer can be found at www.cmegroup.com.